





# Kurd separatists turn to terror

Wave of attacks across Europe shows deepening crisis in Turkey

By John Murray Brown in Ankara

THE attacks on Turkish targets in Europe yesterday reflect the increasingly desperate measures being taken by Kurdish militants to draw attention to their cause.

They also coincide with an unprecedented wave of violence in Turkey's Kurdish speaking south-east region. In the last 10 days, more than 130 people have been killed, of whom 77 were civilians from pro-government villages, allegedly murdered by the Kurdistan Workers' Party (PKK).

The deepening crisis has already forced the prime minister, Mrs Tansu Ciller, to reshuffle her cabinet, and diplomats believe the latest incidents will force her to cede further powers to the military in fighting the PKK.

These outrages show once again that the PKK is a terrorist organisation and that governments in Europe must now curb its activities," a foreign ministry official said yesterday.

The Turkish right wing was already calling for punitive measures, ahead of next week's key parliamentary debate on extension of emergency rule in the 13 south-eastern provinces.

The government has been trying to win cross-party support for the new draconian provisions of the anti-terrorism law. But it may fall in the absence of a clear national policy on the Kurds.

Mrs Ciller's own party is

concerned that the military may use its extended powers to impose martial law in the region, with the government appearing to have given up the pretence of normal civilian rule in the region. Ankara already has an estimated 150,000 troops in the area, and is preparing to send 7,000 special forces in early December.

Last week, the government announced the cancellation of all public works in the region, after reports that contractors were being forced to pay protection money to the PKK.

Basic services such as primary schools have become targets, with television carrying gruesome footage of six young teachers murdered last week, apparently by the PKK. More than 700 schools in the Diyarbakir area alone are now closed.

Meanwhile, local officials are adopting desperate ad hoc measures. In Erzurum province the local governor's office is arming Turkish villagers, in the wake of bloody attacks by the PKK.

Large numbers of local party officials have resigned, after threats from the PKK, and five mayors are reported to have disappeared. The PKK also last month warned all offices of the "bourgeois" press to withdraw from the region.

It must now be increasingly unlikely that the government can hold municipal elections in the region in March as planned, which would be a further evidence of the PKK's tightening grip on the region.



Firemen tackle a fire blamed on Kurd militants at a Turkish restaurant in Wiesbaden, Germany

# German fears grow over tainted blood

By David Walker in Frankfurt

UB Plasma, based in Koblenz on the banks of the Rhine, has suddenly become Germany's most-hated company. Since it was closed down on Thursday last week, newspapers and television programmes have been carrying pictures of deserted rooms where donors used to give blood.

Police have arrested four UB Plasma workers, including its chief executive, and charged them with fraud and negligent killing in an affair that has set millions of Germans wondering if they may have caught AIDS from a routine hospital operation.

Prosecutors yesterday said they were investigating allegations that the company knew it was distributing plasma containing HIV, the AIDS virus.

Public prosecutor Norbert Weise said an employee of Koblenz-based UB Plasma had told investigators the company passed on blood supplies and products despite the fact that tests showed them

to be HIV-positive.

The company employed 10 people and is believed to have imported plasma from abroad before mixing it into "pools" with blood from up to 7,000 of its own donors.

It supplied at least 54 hospitals in Germany with its plasma, as well as clinics in other countries. Five of the intermediaries have so far been identified.

First reports of irregularities at the firm date back to 1986 when a former employee of the firm complained to authorities in the state of Rheinland-Pfalz where the company is based that it had been selling contaminated products. There were further complaints in 1991 and in summer this year the Bonn Health Ministry told authorities in Rheinland-Pfalz about fresh suspicions.

The State Prosecutor for the city of Koblenz told German newspapers this week that the company was heavily indebted, one reason why it may not have implemented adequate tests.

# Refugees entering Germany on decline

THE number of asylum applicants seeking refuge in Germany last month totalled 16,868, nearly the same as the previous month, but two-thirds lower than the same period last year, the federal interior minister announced yesterday, writes Judy Dempsey in Berlin.

The figures are expected to fall further in view of the new asylum law, scrapping article 16 of the constitution giving asylum seekers an automatic right to stay in Germany, which came into force in July.

It also cut the monthly living allowances to asylum seekers on Monday, from an average of DM550 (\$295.40) to DM440. There were further cuts in clothing and medical funds.

Nearly half the refugees entering Germany last month came from the former Yug-

slavia, a trend which has continued unabated since the war erupted in June 1991. Germany has provided refuge to over 400,000 inhabitants from the region. Since January, over 75,000 refugees, including 18,200 from Bosnia, have settled in the country.

Romanians account for the second largest group. Over 72,000 have entered Germany since January, including 1,400 in October. Many of the refugees belong to the Gypsy community, or are poor.

The interior ministry said these numbers were slowly decreasing largely because amendments to the law meant border guards could send back individuals if they entered from a third, safe country. The authorities have decided on 41,000 cases, of which 44 per cent have been allowed to stay.

The German universal banking system - which allows banks to undertake all manner of financial services business under one roof - may have its faults, Mr Kopper conceded, such as lack of competition. But it was still the best banking system in the world.

# Kopper defends banks' success in recession

By David Walker in Frankfurt

GERMANY'S leading private sector banker yesterday delivered a ringing defence of the role of banks in the country's economy.

Mr Hilmar Kopper, chief executive of Deutsche Bank, denounced "the sweeping disparagements" of newspapers and politicians who have denounced the power and prosperity of the big German banks amid the country's worst recession since the second world war.

Germany's big commercial banks enjoyed a record year last year and the increase in profits have been sustained this year, despite a worsening of the economic environment, because of buoyant conditions in world securities markets.

This has been in marked contrast to the ill fortune of the industrial sector and has led to criticism that the banks are profiteering at their customers' expense, for example by not passing on the benefits of falling interest rates.

Mr Kopper delivered his remarks to an audience of senior businessmen gathered to celebrate the opening of the Triumf tower, the bank's third skyscraper in the heart of Germany's financial district. The ceremony was in itself a celebration of the bank's immunity to the downturn.

Mr Kopper told his guests that the stability of the German banking system was the envy of the rest of the world. He reminded them that banks which did not make profits ended up being bailed out by taxpayers, pointing to the US, where taxpayers have had to find \$180bn to rescue the savings and loans organisations.

The German universal banking system - which allows banks to undertake all manner of financial services business under one roof - may have its faults, Mr Kopper conceded, such as lack of competition. But it was still the best banking system in the world.

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# Russia may not secure fresh aid this year

By John Lloyd in Moscow

RUSSIA is unlikely to receive further funding from the international financial institutions or the Group of Seven industrial countries this year, according to senior G7 officials.

This is in spite of strong pressure from Mr Boris Yeltsin, the Russian president, to secure a new package of aid measures.

Introducing a new package of aid measures yesterday, he said the second \$1.5bn tranche of the systemic transformation facility from the International Monetary Fund should be paid by the end of the year - a much-needed sign of confidence in the reform process.

However, foreign observers say inflation, at between 21-24 per cent in September alone, is not yet on a firmly declining trend, while the budget deficit will reach at least 10 per cent of gross national product this year in spite of efforts to trim it.

The provisional budget deficit for the fourth quarter - set at Rb5,300bn - is seen as unachievable because it would involve cuts to agricultural credits and other programmes which cannot be reduced without grave damage to the country's economy.

This means the IMF's second tranche is unlikely to be seriously considered until early next year, by which time a new government will be in place as a result of elections on December 12.

The government has been working to an economic plan which was agreed with the IMF for the final three months of the year, but has met few of the targets for inflation, budget deficit or credit flows. Hostility between Mr Yeltsin and Mr Viktor Gerashchenko, the central bank chairman, remains strong, hindering efforts to achieve an agreed level of credit and to co-ordinate the fight against inflation.

Russia is pressing for a meeting with G7 finance and foreign ministers in Moscow in either December or January, to review the progress of reforms.

# Lithuania and Poland haunted by old conflicts

By Matthew Kaminski in Vilnius

HISTORY'S ghosts are again straining relations between Lithuania and Poland.

The latest dispute, ironically, centres on a prospective friendship treaty - and illustrates the barriers to co-operation and potential for friction across eastern Europe.

Since negotiations began in July, Lithuania has demanded that Poland admit the 1920 annexation of Vilnius, the capital, by the Polish General Lucjan Zeligowski was illegal. The temporary loss of Vilnius remains a bitter pill in Lithuania, and a potent symbol for the right.

On the barricades around parliament, left over from the television tower battle with Soviet troops three years ago, a large hand-screwed slogan reads "Ribbentrop-Molotov-Zeligowski", drawing together the German, Russian and Polish figures who cut up the Baltic country this century.

But the Polish government refuses to take the historical blame, partly out of concern that this would place the legal rights of the Polish minority - around 15 per cent of Vilnius - and 8 per cent of Lithuania's 3.7m population - in jeopardy, in that they could be seen as illegal colonists.

The roots of the conflict go back to 1385 when the two states united and eventually formed the formidable Polish-Lithuanian Commonwealth, which ruled from the Baltic to the Black Seas. By 1920, Vilnius had an overwhelming majority of Polish and Jewish residents, and few Lithuanians.

Today's Polish community is a fraction of the pre-war population, and presses for political and language rights. But at the Polish-Lithuanian border, the dispute over Gen Zeligowski's annexation has held up progress on opening the frontier. Cars and trucks still queue up for as long as a week, holding up trade at an important link between central and northern Europe. Partly as a result, the Via Baltica project, a 1000km super-highway

connecting Germany with the Baltics and Finland, remains a distant dream.

Lithuania's battered economy has benefited little from a common border with Poland, its wealthiest neighbour. Foreign investment, essential to recovery, has been a disappointment. Poland still has the most joint ventures in Lithuania, but total capital inflow will be only \$40m this year, according to World Bank estimates.

A fifth round of negotiations with Poland's government is expected to start soon.

Mr Česlovas Milosius, a Polish writer and Nobel laureate who grew up in Vilnius, says the Lithuanian right has opened a "Pandora's box" on the issue. "There comes a time when we have to say: no more, for the common good of these nations."

But Mr Tomas Venclova, a leading Lithuanian poet and Yale literature professor, believes the dispute is the opposite. The whole world, including Poland, must see "that Vilnius belongs to Lithuania," he recently told Kurier Wileński, a Polish language daily.

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Region heading for a 'humanitarian disaster', says mediator

## Owen gloomy over Bosnia

By Frances Williams in Geneva and Laura Silber in Belgrade

LORD OWEN, the European Community's mediator on the former Yugoslavia, yesterday said no initiative could avert a winter in the region this winter unless it embraced a peace settlement, and he saw no early prospect for a resumption of peace talks.

"All three sides have made the decision to go on fighting," Lord Owen told a news conference in Geneva. "We are heading for a very nasty humanitarian disaster this winter and the question is not if, but when," he said.

Meanwhile, a defiant Mr Slobodan Milosevic, the Serbian president, yesterday ruled out participation in a new

peace conference on former Yugoslavia while Serbia remains under UN sanctions. The United Nations 17 months ago imposed trade sanctions, including an oil embargo, on Serbia for its role in the violent carve-up of Bosnia. In an interview published yesterday in Belgrade newspapers, Mr Milosevic vowed not to "forgo our national and state policies because of international pressures and sanctions."

But Lord Owen told a news conference in Geneva that without a negotiated peace settlement the war would continue and so would interference with food and fuel supplies destined for the civilian population. "If there is no settlement, many thousands will lose their lives this winter," he said.

he said.

The EC envoy expressed particular regret that President Franjo Tudjman of Croatia had publicly revealed the existence of secret talks in Norway this week between the Zagreb government and rebel Serbs, calling the timing "unfortunate". Mr Geert Ahrens, who represented Lord Owen and Mr Thorvald Stoltenberg, the United Nations mediator, at the talks, said yesterday that no further meeting was planned after the breakdown of the talks on Wednesday.

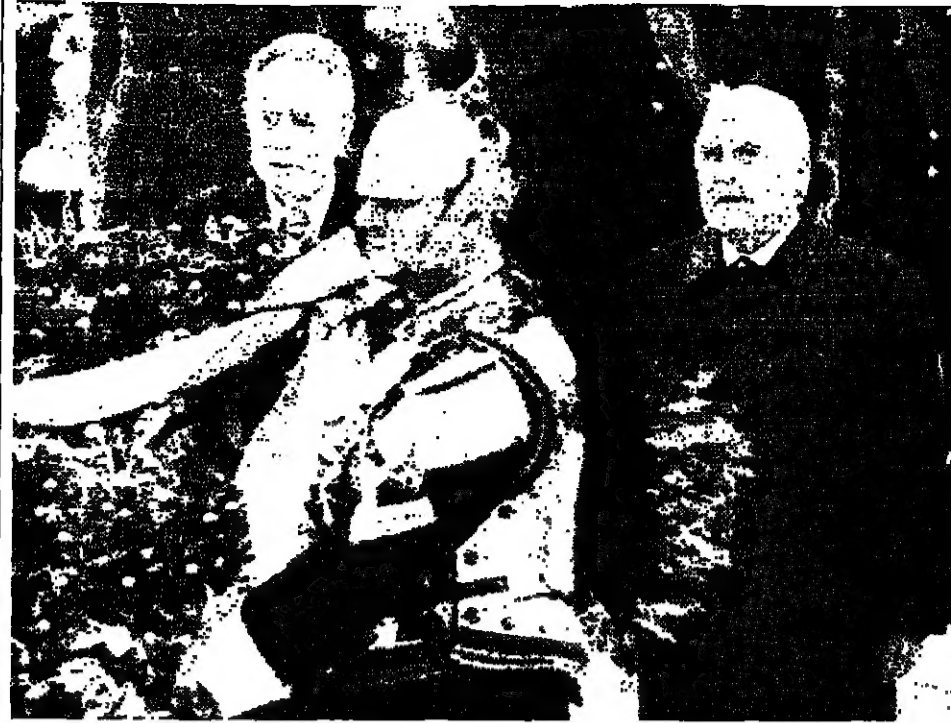
Lord Owen, meanwhile, described as "nonsense" the "no peace, no war" scenario some have painted for Bosnia. There might be "some dulling of the war" during the winter, but all three sides had a strate-

gic interest in preventing power and other supplies from aiding the others to rebuild military strength.

In September, the Bosnian government side rejected a peace plan based on a three-way ethnic division of the country. But Lord Owen said it almost baffled belief that so many lives could be put at risk over "a very small" percentage of land, which would raise the Muslim share from about 30 to 34 per cent.

Bosnian Muslim troops yesterday marched into Vares, central Bosnia, consolidating their hold over the region.

Soldiers planted a green flag with Arabic lettering in the main square of Vares after Bosnian Croat forces abandoned the town, said eyewitnesses.



President Scalfaro and Premier Ciampi at Italy's World War One victory anniversary yesterday

## Lira falls in the wake of corruption allegations

By Haig Simonian in Rome

INVESTORS reacted swiftly to the growing political strains in Italy yesterday, with sharp falls in the lira and share prices.

Government bond prices also dipped as analysts warned of greater political uncertainty in the wake of new leaks about alleged illegal payments by the security services to government ministers.

The allegations, which have been widely reported this week, forced President Oscar Luigi Scalfaro to make a surprise television address to the nation on Wednesday night. The President, who has so far

remained largely immune to the corruption allegations which have cut through the political establishment, denied any involvement in illegal activities.

Leaked testimony from senior members of the security services now helping magistrates with their inquiries suggests that money was illegally channelled to some cabinet ministers over a period of years.

Mr Scalfaro is a former head of the interior ministry, which is in charge of Italy's secret service.

Senior politicians yesterday rallied round the President in an attempt to shore up one of

the few political institutions still commanding widespread respect.

However, their action failed to stop heavy share sales and a sharp fall in the value of the lira, which only recovered slightly in the afternoon. The lira fell to L870.63 against the D-Mark and L1,641.14 against the dollar, compared with L965.06 and L1,636.74 respectively on Wednesday. On the Milan stock exchange, share prices dropped by almost two per cent.

The latest uncertainty comes at a difficult time for the Ciampi government, which is fighting to win parliamentary approval for the 1994 budget.

## Ferruzzi heirs in suit for damages

By Haig Simonian in Rome

THE DRAMA of Italy's Ferruzzi family, once among Europe's wealthiest clans and now diminished by the collapse of the multinational group it once controlled, shows no sign of abating.

Three of the four heirs of Mr Serafino Ferruzzi, the group's founder, have launched one of Italy's biggest claims for damages.

The legal action is against Mrs Idina Gardini (née Ferruzzi), the wife of the entrepreneur Mr Raul Gardini, who guided Ferruzzi for much of the time after Mr Ferruzzi's death in 1979.

Mr Gardini, who shot himself earlier this year after becoming embroiled in Italy's political corruption scandal, gave up control of Ferruzzi in July 1991 following a family rift.

Mrs Gardini received L505bn (£206m) from her relatives for her 23 per cent stake in the family holding company, which controls the quoted Ferruzzi group, and the two families parted company.

In the suit, launched in the Ferruzzi's home town of Ravenna, Mrs Gardini's relatives are reclaiming the L505bn, plus interest, along with a further L1,800bn in damages to cover the alleged "nullification" of their stake in Ferruzzi caused by Mr Gardini's alleged mismanagement.

The group, which has borrowings of more than L28,000bn, has been effectively controlled by a pool of creditor banks since reporting financial difficulties in May.

## Credit crunch arrives for Spain's munificent seven

LAST WEEK a third of the Malaga city council's telephone lines were cut off for 24 hours. An extremely irritated Telefonica, the national telecommunications company, had become fed up with city hall's unpaid bills.

Now creditor banks of the Costa del Sol resort are becoming fidgety about Malaga's ability to service a total estimated debt of Ptas50n (£177m).

Mr Hilario Lopez Luna, Malaga's deputy mayor and its chief financial officer, yesterday obtained an emergency credit from the central government to meet financial charges totalling Ptas700m which the city was unable to pay to a group of domestic and foreign banks, led by Banco Bilbao Vizcaya, at the end of last month.

He also began negotiations with another team of creditor banks, led by Bex, a unit of the state-controlled Argentaria banking group, to defer payment of Ptas725m in debt servicing which is due next month.

Malaga, the fifth largest city in Spain with a population of more than 500,000, was forced to default last month in order to meet its October municipal employee wage bill.

However, Malaga is by no means the only debt-burdened Spanish city. In all, the country's 8,000 municipalities owe Ptas2,400bn, half of it by Spain's seven largest cities.

At a three-day convention of the national federation of municipal and provincial councils which opens tomorrow, the mayors of the seven largest cities will lead an attempt to obtain more cash from the central administration, as well as specific help on debt renegotiations.

There are at least three components to the financial mess

## Free-spending cities have run out of cash, writes Tom Burns

that has engulfed local administration in Spain: the central administration has been erratic over its cash transfers to the municipalities; the cities and towns have been extremely spendthrift; and the financial community has encouraged the cities freely to tap the capital markets.

The total deficit of the municipalities is just 7.3 per cent of Spain's overall public

"The banks are treating the cities as if they were a sovereign risk, but there is legally no guarantee that the central administration will bail them out."

debt. "A mere drop in the ocean," says Mr Henrik Humbolt, the senior bond analyst at Madrid brokers FG, - and it has so far had no effect on the domestic debt market. Malaga's difficulties have none the less jolted debtors and creditors alike into concern over city finances.

"The banks are treating the cities as if they were a sovereign risk, but there is legally no guarantee that the central administration will bail them out," says Mr Jaime Mariategui, a senior partner of Madrid finan-

cial analysis Research Associates. A recent report issued by Research Associates on the creditworthiness of Spanish cities warned that financial transparency at local government was limited and that the indebtedness of the cities "is undoubtedly higher than the figures, indicators and ratios would suggest."

The central government, which has seen its own deficit double in the course of this year, is in neither the mood nor the position to mount a rescue operation and it is already cutting transfers to municipalities. The draft 1994 budget, which is before the Madrid parliament, sets aside Ptas597bn for the municipal compensation fund, the main source of central government funding to the cities, against the Ptas700bn the municipalities had expected.

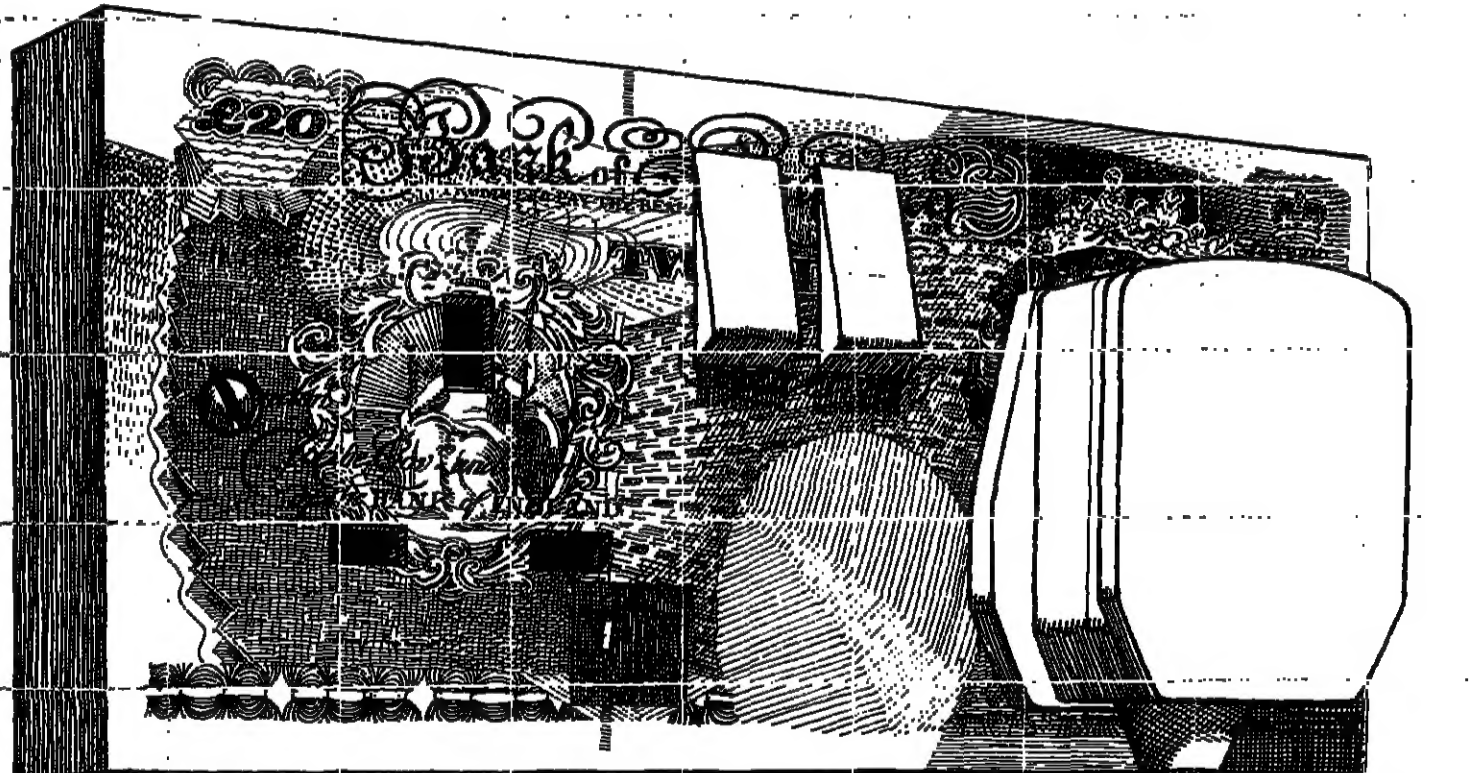
The problem at the city hall level is exacerbated by delays in making the transfers. Malaga's Mr Lopez Luna claims that the central authorities owe the city Ptas2.5bn, a sum which would have allowed Malaga to meet the debt servicing charges and also pay off at least part of what is owed to Telefonica and other suppliers.

The Madrid government has however every reason to keep the cities on a tight rein. Spending by the municipalities was up 15.4 per cent last year on 1991 with personnel costs increasing by 14.8 per cent and debt servicing charges rising by 23.5 per cent. The cities complain that they are pressed to provide ever improving infrastructures and amenities

by increasingly demanding urban dwellers - and mayors who keep balanced books do not get re-elected.

The party is now over and the main actors in the local government crisis will have to compromise in order to overcome the financial disarray. The central government will be forced to dig into its pockets, the municipalities will have to restrain spending and the banks will have to arm themselves with patience.

Malaga's Mr Lopez Luna insists he has made a start: municipal taxes are going up by 10 per cent.



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## NEWS: INTERNATIONAL

## India's external debt rises to \$85bn

By Stefan Wagstyl  
in New Delhi

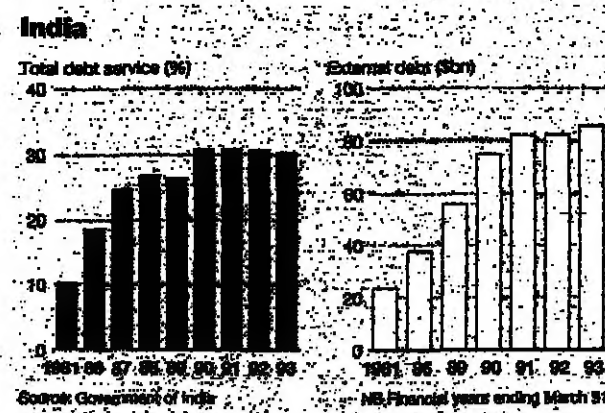
INDIA'S external debts rose \$3.2bn in the year to March to \$85.4bn, largely because of an increase in loans from multilateral development agencies. The figures were set out in a Finance Ministry report yesterday aimed at assuaging fears that India is in danger of running into a debt crisis. Critics

of the government's reforms have frequently attacked Mr Manmohan Singh, the finance minister, and his colleagues for allegedly bowing to pressure from the World Bank, the International Monetary Fund and other lenders to take on debt which India cannot afford. The report says the government is keeping a close watch on external debt. "External indebtedness as such is not an

evil as long as the debt incurred is utilised efficiently. The stabilisation and structural reform measures being pursued by the government will enable the economy to utilise external loans efficiently and will enhance the capacity of the economy to repay the loans through higher exports and invisible earnings." The report says India's external

debts rose rapidly after the mid-1980s, from \$37.3bn in March 1986. Total debt as a proportion of GDP rose from 17.5 per cent in 1985-86 to 40.2 per cent in 1991-92 before falling slightly to 38.3 per cent last year. (Defence-related debt is excluded in later years). The ratio of debt service payments to exports and other foreign earnings rose equally fast

and stood at 30.4 per cent in the year ending last March. Citing World Bank data, the report says that at the end of 1991, India's ratio of debt to GNP was 29.2 per cent - compared with an average of 37.4 per cent for least-developed (ie poor) countries. The figure for neighbouring Pakistan was 50 per cent. India is the world's fourth largest debtor (after Brazil, Mexico, and Indonesia).



## Cynicism and mayhem greet Delhi's first election

THE CITY OF Delhi, recently granted statehood after being run by India's central government since 1952, goes to the polls tomorrow to choose its own legislative assembly.

The contest, the first of five state elections this month, is primarily between the ruling Congress Party and the Hindu right-wing Bharatiya Janata Party (BJP). Two other parties, Janata Dal and the Bahujan Samaj Party, and more than 1,000 independent candidates may deny a clear majority to the larger parties. Congress, which has ruled in India for most of the last 40 years, is increasingly blamed by many for the nation's ills. The BJP has increased its strength in the last five years from two seats in parliament to 118 in the 1991 general election sees the state elections as an opportunity get closer to power at the centre.

Shiraz Sidhva tests the political water in India's newly enfranchised capital

The Delhi campaign has been one of the most colourful, if not the most riotous that the city has seen. The chief election commissioner's announcement on September 23 that Delhi would go to the polls in November, caught political parties unawares. They had been concentrating on elections in four other states, including Uttar Pradesh and Madhya Pradesh, India's largest. Trouble erupted last month when the Congress and the BJP announced their candidates - there was mayhem in the headquarters of both parties, with disgruntled party members hurling abuse and even a flower pot at party leaders. Representatives of some factions doused themselves with kerosene and threatened to set fire to themselves

if they were not included on the lists of candidates. Responding to pressure from political parties to grant Delhi statehood, Mr P V Narasimha Rao's government amended the constitution in December 1991, providing for an assembly for India's capital city.

Though the National Capital Territory of Delhi (earlier designated a union territory) will have a chief minister and a council of ministers like other Indian states, critical areas of urban management, including law and order, land development and finance, will continue to be controlled by central government. In political circles, the focus of the elections has shifted from civic issues like the shortage of water and electricity, to national ones, like cor-

ruption, and communal tension. But in the ubiquitous slums which mar the splendour of Mughal Old Delhi or the impressive tree-lined avenues of New Delhi, the people are only concerned about whether the promised housing schemes, a regular water supply, and metered electricity, so that they do not have to steal from poles, will materialise after the elections.

You'd think our lives will change overnight if you listened to these politicians," says Dhanraj Singh, an office clerk in the Govindpuri area. "It makes no difference which party comes to power, they are all corrupt, and we suffer for it."

Delhi's 72 constituencies are festooned with streamers, sparking

lights, posters, and thousands of paper and polythene flags bearing the symbols of different parties. Flower-bedecked campaign vehicles ply the streets, bearing candidates and leaflets, and giant cut-outs of political personalities with ingratiating smiles loom at traffic junctions. Loudspeakers at every street corner blare out impassioned pleas for votes and campaign songs sung to catchy tunes from the latest Hindi films. The big hit is an adaptation of the year's most popular and controversial film song, "Chal ke peechhe kya Hai? (What's beneath that blouse?)" which the BJP has cleverly used to ask Mr Narasimha Rao: "What's inside that suitcase?" They are referring to allegations

by stockbroker Harshad Mehta, the man at the centre of the Bombay financial scandal, that he had given Mr Rao a suitcase containing Rs10m for the prime minister's election campaign. Mr Rao was cleared by an official investigation.

New Delhi, the seat of power, has always been pampered but the sprawling extensions of east and north Delhi, which have mushroomed over the past two decades are badly planned, and lack clean drinking water and electricity.

The city's transport system is one of the worst in the country, and more private cars and two-wheelers have made Delhi's roads some of the most unsafe and the polluted in the world. Results of the polls will be announced at the end of the month, after elections are held in four other Indian states.

## Malaysia looks to younger politicians

By Kieran Cooke  
in Kuala Lumpur

MALAYSIA'S body politic has undergone a fundamental change following elections within the United Malays National Organisation (Umno), the party which has dominated the country since independence from Britain in 1957.

A new, younger and more politically aggressive team within Umno led by Mr Anwar Ibrahim, the finance minister, looks set to gain greater influence over the running of the country.

Mr Anwar, 48, was declared Umno deputy president at a party convention yesterday. Three of Mr Anwar's supporters, all in their 40s, were also elected to leading positions, pushing aside older leaders including Mr Ahmad Badawi, the foreign minister and Mr Samat Jundi, the agriculture minister.

Umno, a party composed entirely of Malays who make up about half of Malaysia's 18m population, controls almost all senior positions in government. It is also believed to be an immensely wealthy organisation, with close connections with many of Malaysia's leading business conglomerates.

In the past the Umno deputy president, has automatically become deputy prime minister. Mr Anwar has now established himself as the successor to Dr Mahathir Mohamad, 68, who has been prime minister since 1981.

Mr Anwar has risen rapidly in politics. A former leader of Malaysia's Islamic youth league, he was imprisoned for a time in the 70s, suspected of anti-government activities.

The finance minister had been involved in an often bitter battle for the post of Umno deputy president with Mr Ghafar Babar, a veteran politician who served as Dr Mahathir's right hand man for many years.

In the past Dr Mahathir has supported Mr Anwar but analysts say the prime minister could now feel threatened by the considerable power base the finance minister has built up within the party.

Following the Umno elections, a cabinet reshuffle is now likely. Dr Mahathir might also choose to call an early general election to unite the party and prevent a possible rift developing between its older and younger members.

## Egypt tries to restart peace talks

By Roger Matthews  
in Jerusalem

EGYPT sought yesterday to bring Israel and the Palestine Liberation Organisation back to the negotiating table after their talks broke down last week over Israel's proposals for implementing the first stage of the outline peace agreement signed in Washington on September 13.

Mr Amr Moussa, Egypt's foreign minister, said after talks in Tel Aviv with Mr Yitzhak Rabin, Israel's prime minister, and Mr Shimon Peres, the foreign minister, he saw no reason why the negotiations should not resume on schedule next week.

However, in Cairo, Mr Nabil Sha'ath, who leads the PLO negotiating team, warned Israel that if it persisted with its proposals for only a limited army withdrawal from the occupied Gaza Strip and the West Bank town of Jericho the two sides would fail to meet the December 13 deadline for the completion of the first stage of negotiations.

"We are giving a warning, a signal to the Israelis that we cannot complete our objective in two months if they continue with this concept. It is a very early signal to the Israelis. It cannot go on this way," Mr Sha'ath said. The PLO has accused Israel of seeking to retain a military presence in over 50 per cent of the Gaza Strip instead of carrying out an almost total withdrawal.

Mr Peres acknowledged before Mr Moussa's arrival that there was a crisis in the negotiations, but appeared confident that it would be resolved. The row over the PLO-Israeli talks may have deflected Mr Moussa from the main purpose of his visit which was to press for progress on the stalled negotiations between Israel and Syria. Egypt believes strongly that a breakthrough with Syria would be a powerful boost to prospects for an overall Middle East peace deal.

## Polls put Bolger ahead

By Nikki Taft in Wellington

MR Jim Bolger, the New Zealand prime minister, yesterday wound up the National party's campaign in the New Zealand election, in the knowledge that the latest opinion polls show his party holding a clear lead over the main opposition Labour party among "decided" voters.

A TV3-Gallup poll, released last night, showed National with 42 per cent of the vote, among that segment of the electorate which had made up its mind. Labour trailed at 34 per cent. The two main alternative parties, the Alliance and New Zealand First, registered 13 per cent and 8 per cent respectively.

However, most recent polls suggest that the "undecided" element, although falling, is still in double digits, and Mr Bolger warned supporters that he was "taking nothing for granted".

The Labour Party also claimed that its own polling indicated winning support for the Alliance - a coalition of five left-leaning, Green and Maori parties - in key Auckland constituencies.

## South Korea exercise may be suspended

The US and South Korea yesterday postponed a decision on whether to hold the joint Team Spirit military exercise next year in an attempt to persuade North Korea to resume international nuclear inspections, John Burton reports from Seoul.

Pyeongyang had demanded the suspension of Team Spirit as a condition for permitting renewed nuclear inspections by the International Atomic Energy Agency (IAEA).

Mr Lee Aspin, the US defence secretary, indicated after a meeting in Seoul with South Korean officials that Team Spirit would be suspended if North Korea allows IAEA inspectors access to its nuclear facilities and holds substantive talks with South Korea on the nuclear issue.

"Our patience is not unlimited," said Mr Aspin, but he added that "we are not prepared to set deadlines at this particular juncture" for a North Korean response.

## Conservatives in SA talks

The South African government and the conservative Freedom Alliance ended two days of talks yesterday and agreed to meet again next week to try to resolve differences stalling the transition to black rule, Reuters reports from Johannesburg.

The two sides said they were committed to trying to finalise outstanding problems in the shortest possible time. Issues debated included self-determination, boundaries, citizenship and taxation. More bilateral talks would take place next week.

The government called the talks with the black and white pro-federalists in the umbrella alliance to try to draw them back into mainstream negotiations on the new South Africa.

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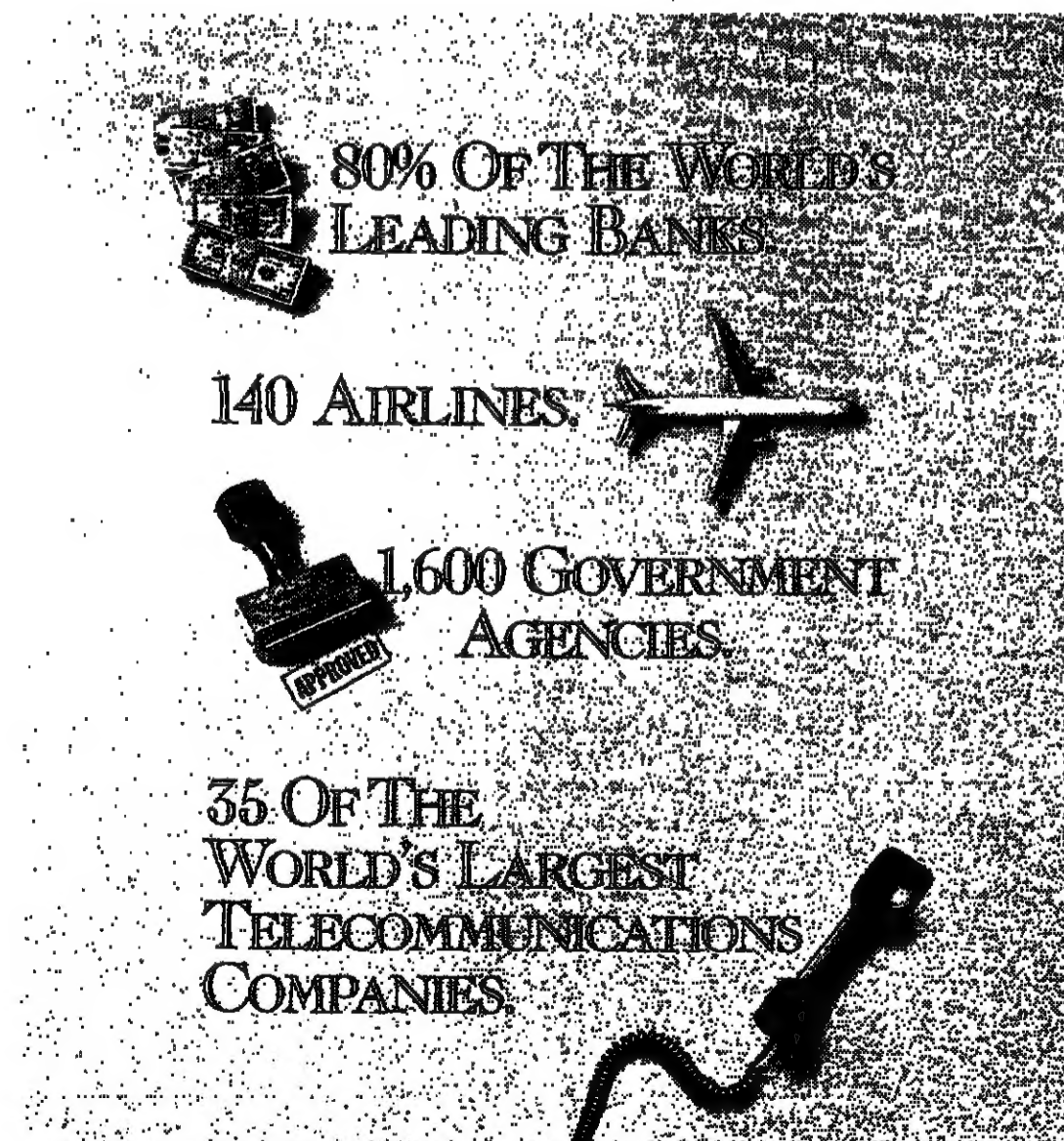
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Payments reduced for a third year after profits decline

## Japanese employees face bonus cuts

By William Dawkins in Tokyo

JAPAN'S leading electronics companies are to cut bonuses, an important part of employees' income, to the lowest level for 18 years.

They yesterday set bonuses at an average of around five months' salary, the third annual decrease in a row, reflecting profits declines caused by the economic downturn.

This sets the tone for other

industrial sectors' bonus negotiations, due to take place over the rest of autumn. Widespread cuts are expected, a further blow to depressed consumer spending.

The electronics payout is well below demands by the Japanese Electric Electronics and Information Union, for a small rise from last year's bonus of 5.2 months' pay to at least 5.4 months. Yesterday it accepted companies' offer after "the hardest negotiation we

have ever had," said Mr Katsutoshi Suzuki, its secretary general.

However, Sanyo's company union broke ranks with the industry organisation and refused the offer, a rare crack in traditionally harmonious labour relations.

"The tension is high. The union will never compromise," said Mr Yoshito Ishibashi, secretary general of the Sanyo union. He is holding out for the same bonus as last year, in

cash terms, equivalent to a small reduction as measured in monthly salary terms.

Bonuses, paid in two chunks at the year end and in the summer, represent on average around 30 per cent of employees' annual income. Most workers use them to repay loans or buy consumer goods. Overtime brings in another 5 per cent and basic wages the rest, according to the Nikkeiren employers' federation.

Employers believe that it

will be less painful for staff to accept bonus cuts now than risk reductions in wages, on which annual negotiations take place in the spring.

"We have started cutting overtime, and now we need to cut bonuses. If the unions agree to a large cut in the bonus, we might not have to go into wages," said Mr Takeshi Nagano, president of the Nikkeiren. "The aim is to start with the top layers of the wage structure," he said.

## Hosokawa set for compromise

By William Dawkins in Tokyo

MR Morihiro Hosokawa, the Japanese prime minister, yesterday called for a quick compromise with the opposition Liberal Democratic Party on plans to reform the corruption-prone political system.

Time was running out, he told a parliamentary committee on political reform, and the government would accept a deal even if it was not entirely in the ruling coalition's favour.

Mr Koshiro Ishida, management and co-ordination minister, the government's chief negotiator on political reform,

will seek a compromise at a meeting today with Mr Yoshiro Mori, LDP secretary general.

Mr Hosokawa has implied he will resign if he does not get parliament's agreement on political reform by the end of the year. The LDP lost a general election in July after nearly four decades in power, because of its failure to achieve political reform. LDP leaders do not want to block reform again, though a hard core of older party members have serious reservations about the plans.

However, the LDP has delayed the reform plans, to

increase pressure on Mr Hosokawa, so the process is at least 10 days behind schedule. The government now aims to get the plans through the lower house by the middle of this month, to give the upper house a month's debate before the parliamentary session closes on December 15.

Officially, both sides share the broad aim of the government's proposals, to replace the present system of multi-seat constituencies for the lower house, with a mixture of single seat constituencies and proportional representation.

They differ over the numeri-

cal split between constituency and proportional representation seats. The coalition has proposed 250 each way, for a 500-seat house, while the LDP prefers a 471 seat house, of 300 constituency seats and 171 chosen through proportional representation.

The LDP's strong constituency organisation gives it an interest in pushing for a high proportion of constituency seats. Mr Hosokawa must also satisfy his largest coalition partner, the Social Democratic Party, which believes it would do best under proportional representation.

## Pacific forum may take more formal role

By George Graham in Washington

MINISTERS of the Asia-Pacific Economic Co-operation forum are expected to endorse a new framework giving the organisation a more formal role in setting policy on investment and trade.

US officials said senior delegates from the 15 Apec member countries had given their blessing to a declaration on a new trade and investment framework which would probably be adopted at the Apec ministerial meeting in Seattle later this month.

The framework proposes an evolution in the role of Apec, until now largely an informal consultative forum, to the establishment of a permanent trade and investment committee. This committee could continue some of Apec's existing work in areas such as customs but "also move gradually into additional policy areas as the comfort level and commitment of members to expand," according to Ms Charlene Barshefsky, the deputy US trade representative.

The Seattle meeting will also discuss a more ambitious vision of Apec's future prepared by a group of "eminent persons."

Their report warns of rising protectionism, the development of inward looking regional blocs, and the escalation

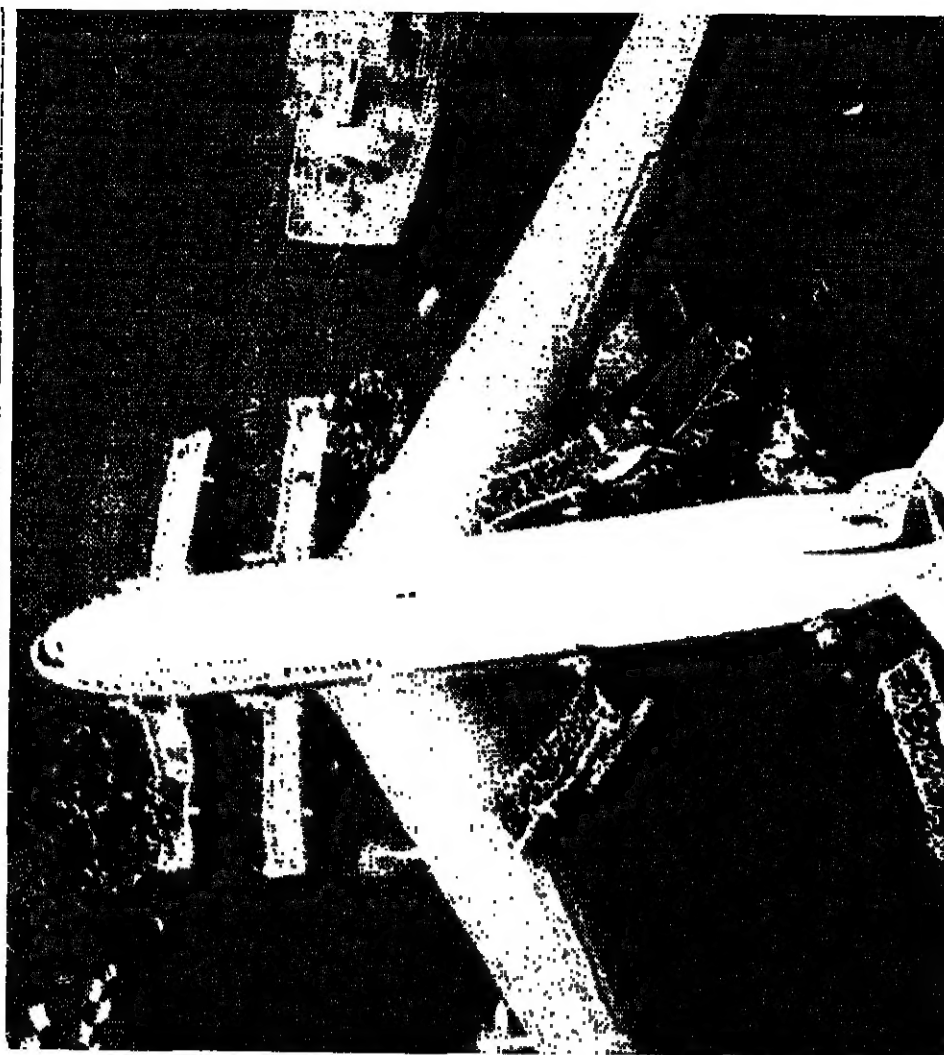
of trade disputes between Apec members, and urges "the foundation of a true Asia-Pacific Economic Community" to head off these risks.

It recommends that Apec set a goal of free trade in the Asia-Pacific region, working over the next three years to establish a timetable for reaching this goal.

More immediately, it argues for measures to facilitate investment within the region, the adoption of an effective dispute resolution mechanism if one is not achieved in the Uruguay Round of talks on liberalising the General Agreement on Tariffs and Trade.

Washington trade experts warn, however, that the goal of an Asia-Pacific Economic Community is distant. The difficulty the Clinton administration is having in persuading the US Congress of the advantages of the smaller free trade area set up by the North American Free Trade Agreement does not bode well for such a sweeping ambition.

"Any talk about free trade areas, much less economic communities, would be in terms of long term ideals rather than concrete proposals," said Mr Jeffrey Schott, a research fellow at the Institute for International Economics, a Washington think tank whose director, Mr Fred Bergsten, represents the US in the eminent persons group.



Passengers being evacuated yesterday from a China Airlines Boeing 747 which had belly-flopped into the sea at Hong Kong's airport. All 274 passengers and 22 crew were rescued.

High flying lessons

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## Factory orders up 0.7% in September

US factory goods orders rose for a second straight month during September, and shipments of finished products hit record high levels, the Commerce Department said, Reuters reports from Washington.

The 0.7 per cent rise in September orders to a seasonally adjusted \$233.2bn (\$17.2bn) followed an upward revision to 1.2 per cent for the gain in August and pointed to a rising tempo of national manufacturing activity.

With the exception of a 1.9 per cent fall in July, factory orders rose in three of the four months from June through September. Meanwhile, US non-farm productivity jumped by 3.9 per cent in the third quarter, and a second quarter fall of 1.3 per cent was revised downwards to 0.4 per cent, the Labour department said.

Shipments in September were 1.4 per cent at \$260.2bn, the highest on record.

But unfilled orders were down by 1.1 per cent in September, a seventh fall in a row in backlogs as companies continue to operate leanly.

Transportation orders suffered the biggest fall in September, down 1.6 per cent after a 7.4 per cent August rise. A drop in demand for new aircraft more than offset stronger orders for new cars, ships and military tanks.

Excluding transportation, orders in September were up one per cent following a gain of 0.3 per cent in August.

In September, shipments of new cars climbed by 6.6 per cent after a 9.4 per cent rise in August. Defence contractors' orders fell 2.1 per cent.

# Clinton joins war of words over healthcare

By Jurek Martin in Washington

PRESIDENT Bill Clinton has joined his wife in declaring verbal war on the insurance industry association most vigorously opposed to their healthcare reform proposals.

Both have been stung by a series of radio and television commercials by the Health Insurance Association of America, a coalition of mostly small and medium-sized insurers which is estimated to provide health

cover for about 55m Americans.

The Clintons launched their reform programme by promising to work with anybody to achieve universal healthcare insurance. But on Monday, Mrs Hillary Rodham Clinton accused insurers of bringing the country to "the brink of bankruptcy because of the way they have financed healthcare".

On Wednesday, the president chipped in by turning the catch phrase of the commercials - "There

must be a better way" - against the association. "They tell you they've got a better idea," he told a rally in a Pittsburgh suburb, "except that we're all still waiting for it."

Simultaneously, Mr Richard Celeste, former governor of Ohio and now an administration adviser on healthcare, disrupted an association press conference called to unveil a new commercial. Asked to leave, he shot back: "When you go up with million dollar advertisements, you're

fair game for a response."

The HIAA, which represents 271 companies, has seen some defections in recent years. Four of its biggest members - Aetna, Cigna, Metropolitan Life and the Travelers - have in the past two years set up their own association to promote managed healthcare, a concept that meets the approval of the Clintons.

Prudential Insurance, while still a member of the HIAA, has refused to provide funding for the \$5.5m com-

mercial campaign, running in 10 of the bigger states, on the grounds that it was "far too negative", according to a company spokesman.

The commercials feature Harry and Louise, a thirtysomething couple, in assorted domestic and work environments agonising over the cost of the Clinton health plan. Explicit in most is the fear that their insurance will run out or be taken over by the government.

Some radio commercials not sponsored by the HIAA are far cruder.

One currently doing the rounds transforms a doctor's waiting room into a cattle round-up.

Mr Willis Gradison, former Republican congressman from Ohio who retired last year to head the HIAA, argues that its advertisements are accurate and that, under the Clinton plan, many members will simply be absorbed into large insurance pools, at a considerable cost to the quality of healthcare.

## Moynihan aims to put more bucks on bullets

By Jurek Martin

THE great American debate over crime and gun control moved into higher gear this week as a result both of Tuesday's elections and of initiatives and actions in Congress.

The House of Representatives on Wednesday authorised funding for a package of measures along lines proposed by President Bill Clinton, including the recruitment of as many as 50,000 new police officers nationwide.

This clears the way for consideration next week of the long-stalled Brady bill, which would require purchasers of handguns to wait five days before taking possession. The Senate, also putting crime on its agenda, is expected to vote by the end of the year on the bill, named after Mr James Brady, the White House press secretary severely wounded in the attempt on President Ronald Reagan's life in 1981.

While agreement on an omnibus crime bill is far from certain, Senator Daniel Patrick Moynihan, the New York Dem-

ocrat, injected a significant new element into the political equation by proposing that Mr Clinton's healthcare reform bill include swingeing increases in the federal tax on handgun ammunition. "It is time the federal government began taxing handgun ammunition used in crime out of existence," he said.

His proposal would certainly do this for the most destructive bullets. He asked for a general sales tax increase on bullets to 50 cents from the current 11 cents, with the annual licence fee for manufacturing ammunition rising from \$10 to \$10,000.

But he also called for a 10,000 per cent increase in the tax on one Winchester cartridge, known as the Black Talon and advertised for its penetrative capabilities. This would lift the price on a box of 20 from about \$34 to around \$150,000.

Senator Moynihan has recommended this approach before and it was picked up last month by Mrs Hillary Rodham Clinton, who emphasised she was speaking only in a personal capacity. But it was

received cautiously on Wednesday by Mr Lloyd Bentsen, the treasury secretary, and immediately condemned by the National Rifle Association as just another "egghead" notion.

The NRA reckons it has had a very good week. Two of its toughest critics, Mr James Florio in New Jersey and Ms Mary Sue Terry in Virginia, were defeated in gubernatorial contests, while across the country state and local voters approved propositions calling for stiffer jail sentences, more prisons and more policemen.

These are part of the current NRA anti-crime campaign which is designed in part to draw attention away from the issue of gun control itself.

On the other hand, neither Mrs Christine Todd Whitman nor Mr George Allen, the victors, campaigned in favour of rescinding recent gun control legislation in both states. Mrs Whitman argued against anything that would make possession of assault weapons any easier, while Mr Allen focused most of his attack on toughening Virginia's parole laws.



Senator Moynihan: "Time for ammunition used in crime to be taxed out of existence."

## Russian military doctrine finds favour with US

By George Graham in Washington

THE US yesterday gave cautious approval to the new military doctrine outlined by Russia earlier this week.

Mr Warren Christopher, secretary of state, told the Senate foreign relations committee he had little concern either about Russia's abandoning its pledge of "no first use" of nuclear weapons, or about provisions for the involvement of Russian troops in peacekeeping operations in neighbouring states of the former Soviet Union.

"In the new doctrine, Russia has said essentially that it will not use nuclear weapons against non-nuclear weapons states who are parties to the non-proliferation treaty. In fact, the nuclear doctrine announced in this statement is not very different from our own," Mr Christopher said.

"Frankly, the US and its allies never took the old Soviet

doctrine as a serious indication as to what the USSR might actually do with its massive arsenal of nuclear weapons."

Mr Christopher welcomed the new doctrine's statement that its basic objective was to complete the withdrawal of Russian troops to Russian territory, and said he had received assurances in Moscow last week that the government was "committed to reaching a prompt agreement with both Latvia and Estonia on the withdrawal of Russian troops."

He said US understanding of the new doctrine's relevance to military operations outside Russia's borders contained the proviso that such operations would be conducted only in co-operation with the states involved.

"In short, Russia must be part of the solution and not part of the problem with respect to the regional conflicts. Nothing that we have seen in this new doctrine contradicts that crucial principle."

## Chrétien appoints new cabinet

By Robert Gibbons in Montreal

MR JEAN CHRÉTIEN was sworn in as Canada's 20th prime minister in Ottawa yesterday, returning the Liberal party to office after nine years of Conservative rule.

Mr Chrétien, 59, a 30-year veteran of federal politics, immediately appointed a centre-right cabinet of 23 members.

Mr Paul Martin, 55, a former businessman and son of the late Senator Paul Martin, takes over the department of finance. He is a fiscal conservative, committed to gradual deficit reduction and more efficient government.

A former Toronto businessman, Mr Roy MacLaren, 58, becomes minister for international trade and in charge of the North American Free Trade Agreement portfolio. Mr MacLaren is a NAFTA supporter.

A veteran of the Pierre Trudeau government, Mr André Ouellet, 54, becomes minister of external affairs, while Mr Lloyd Axworthy, 53, another Trudeau veteran, is minister of human resources and will represent western Canada.

Mr Arthur Eggleton, a former mayor of Toronto, heads the Treasury Board and Mr Marcel Masse, a federal civil servant under Liberal and Conservative governments, shoulders inter-governmental affairs, covering constitutional problems facing Quebec and western Canada.

Mr Sheila Copps, 48, a leading Liberal parliamentarian, becomes deputy prime minister, one of four women in the cabinet.

The cabinet must address a federal 1993-94 deficit of about \$40bn (\$28.5bn), external debt of US\$125bn, high unemployment, lagging recovery and exploding health and welfare costs.

The new prime minister has proposed a 100-hour crash infrastructure programme to create new jobs. The funds would come partly from defence cuts, including cancellation of a C-130 helicopter order from Westland of the UK and Agusta of Italy, but this has raised protests from three provinces which stand to benefit from work on the order.

## SALEROOM

### Matisse cut-out comes to auction

By Antony Thornton

MATISSE is one artist whose reputation has grown during the art market recession. At Sotheby's in New York on Wednesday "The Wine Press" sold for \$13.75m (\$9.34m) to the Swiss Bank Corporation.

The composition is a cut-out, an experimental work of 1951. Matisse took scissors and snipped out pieces of paper, painted them, and then glued the shapes on to a white support. It combines his skills as colourist, draftsman and sculptor. The cut-outs show him moving towards the experimentalism of the abstract expressionists, and this was the first to appear at auction.

Sotheby's auction, of Impressionist and Modern art, its most important of the autumn season, brought in \$48.5m and was over 77 per cent sold by

value. However, 15 of the 55 lots were unsold, showing that buyers are still selective.

The main casualty was "Violin et verre", an important 1913 Cubist work by Braque. Among other lots to find buyers was a Renoir of two washerwomen, which sold above forecast for \$4.9m, and "Liesepaar", a painting by Egon Schiele of two nudes on a bed, which sold below estimate for \$4.8m, in real terms a loss on the \$2.5m it fetched at Sotheby's in London in 1984.

Sotheby's claimed three artists' records, including the Matisse for a work on paper: \$1.2m for a stone sculpture of a kneeling woman by the German artist Wilhelm Lehmbruck, and \$442,500 for "La Grande Jatte au Printemps" by Emile Bernard, which was much influenced by Seurat's view of the same scene.

## Banks to delay Brazil debt accord

By Stephen Fidler, Latin America Editor

BRAZIL and its leading bank creditors have agreed to delay the completion date of an accord covering the restructuring of more than \$35bn of debt. The delay is to allow more time for negotiation with the International Monetary Fund.

Mr Andre Lara Resende, Brazil's chief debt negotiator, said yesterday the target date for completion had been put back from February 28 to April 15. Signing of the bank deal will begin on November 28.

The February closing date implied that an IMF agreement - necessary for the bank accord to be completed and for the issue of US zero coupon bonds as collateral - would be in place by early January, which now looks unlikely.

The IMF wants the government to balance its operating budget in 1994, and fiscal measures planned by the government to do this have been delayed. Mr Resende said the government hoped to have unveiled the measures by mid-November. An IMF team due to arrive in October will now arrive on November 15 or 20.

He said he had no indication if the Bert family, which holds 4 per cent of the outstanding debt and which has been refusing support for the accord, had changed its position. Banks holding 55.1 per cent of the debt have indicated they will accept the agreement, and 95 per cent must sign for it to become effective.

offer

**NOTICE UNDER SECTION 11(2) OF THE ELECTRICITY ACT 1989**

The Director General of Electricity Supply (hereafter referred to as "the Director") pursuant to Section 11(2) of the Electricity Act 1989 (29) (hereafter referred to as "the Act") hereby gives notice as follows:

- (1) He proposes to make a modification by the insertion of two additional Conditions (13 and 14) into the Licence granted under Section 6(2) (a) of the Act to Slough Electricity Supplies Limited on 20 March 1989. This modification will have the same effect as Conditions 13 and 14 in the licence granted to Eastern Generation Services Limited on 17 May 1993 under Section 6(1) (a) of the Act except that in both conditions "20 May 1993" should be replaced by "1 December 1993".
- (2) The Director proposes to make the modification in response to a request from Slough Electricity Supplies Limited that their second tier supply licence be modified to include the powers and rights conferred by or under the provisions of Schedules 3 (compulsory acquisition of land etc.) and 4 (street works, wayleaves and other powers) of the Act subject to limitations similar to those imposed in other licences including such powers issued by the Director under Section 6(2) of the Act.
- (3) Copies of Conditions 13 and 14 as they appear in the Eastern Generation Services Limited's Licence are available free of charge from this office or Eastern Regulation at the address below.
- (4) Any representations or objections to the proposed modifications may be made on or before 1 December 1993 to the Director at the Office of Electricity Regulation, Hagley House, Hagley Road, Edgbaston, Birmingham B15 8QQ.

Dr E G Marshall  
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# US narcotics policy turns full circle

FOR the US government, the war against drugs begins overseas. But if its measure of success is the quantity of narcotics flowing into the country, then it has failed.

"The simple fact of the matter is that after spending billions of dollars on the interdiction effort, more cocaine and more heroin enters the country today than before the first drug strategy was released in 1989," a congressional report concluded last month.

This sense of failure led the Clinton administration to announce a shift in strategy

ruption, drug use, economic dislocation, instability and human rights problems are more likely when democratic institutions are fragile, which is why the traffickers are there."

Interdiction - involving coastguard and naval operations and AWACS aerial surveillance mainly in the Caribbean - has been expensive. The Pentagon, which controls these operations, has been criticised for wasting millions of tax dollars and for diverting non-drug enforcement activities to drug enforcement accounts.

## Stephen Fidler on latest efforts to stem the tide of illegal drugs

last month. But the shift - which reduces the emphasis on interdiction and aims to increase US spending in the source countries - has disappointed most followers of the drug issue.

"This is just another stage of the cycle of the international drugs war," said Mr Kevin Zeese of the reform-oriented Drug Policy Foundation. "It's a good thing they've recognised the failure of interdiction, but they are chasing the cat's tail. Nixon focuses on interdiction, Carter on eradication, Reagan and Bush go back to military spending and interdiction, then Clinton focuses again on the source countries."

The Clinton administration has tried to frame its anti-narcotics strategy overseas within its foreign policy emphasis on democracy and human rights.

"Counter-narcotics is an integral part of what we are trying to do with foreign policy," said Mr Richard Porter, director of national security affairs in the Office of National Drug Control Policy. "Trafficking, cor-

ruption, drug use, economic dislocation, instability and human rights problems are more likely when democratic institutions are fragile, which is why the traffickers are there."

According to Mr Porter: "The question is not whether it's been a success or not. It has been a success. It's a matter of looking, as the dollars get scarcer, at where we can get more bang for the buck."

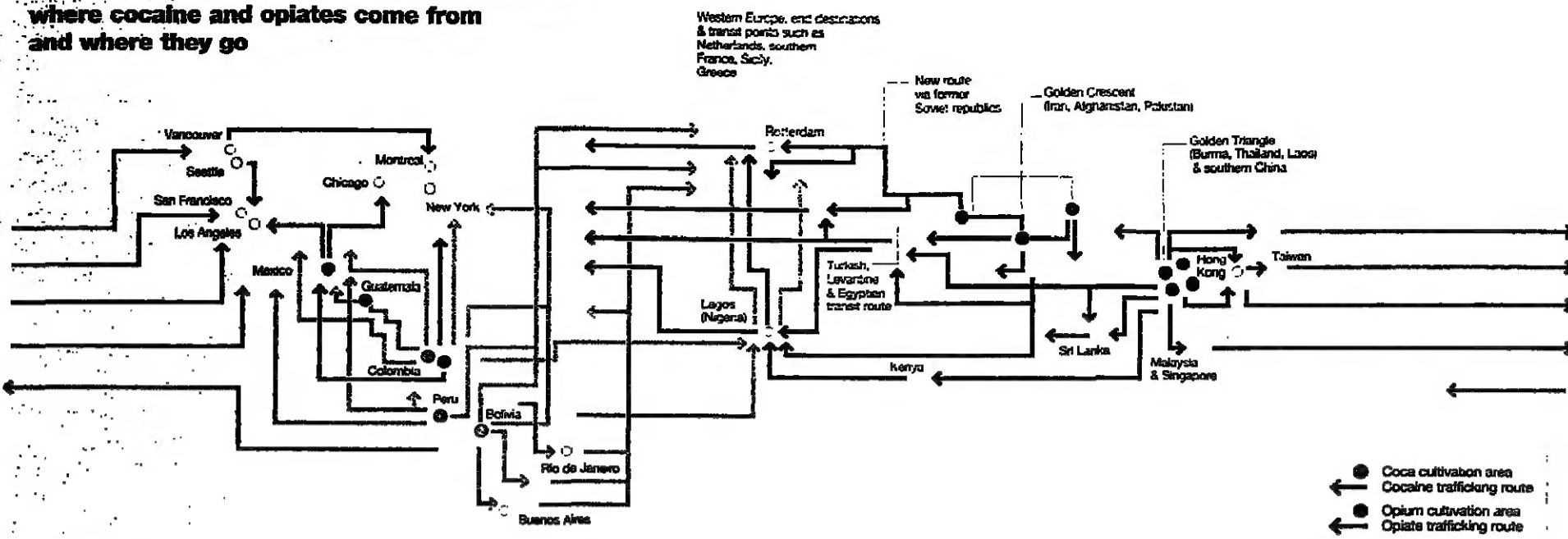
The efforts have increased interceptions, which have forced significant changes in the cartels' methods, he said. Seizures - amounting to 107 tonnes in the three years from 1989 to 1992 - have cost the cartels billions of dollars.

Furthermore, instead of transporting the cocaine in bulk through Florida as was common a few years ago, they are now forced to make smaller shipments.

But there would be greater cost effectiveness if the traffickers were tackled in source countries: "That's the beehive. If we want the bees, the best place to get them is in the hive. Otherwise we are chasing them all over the forest where they are harder and harder to find," Mr Porter said.

Yet, drugs policy experts are worried that such a shift would merely move funds from one part of the Defense Department to another. Meanwhile, despite the administration's emphasis on building democ-

## Narcotics: the main trade routes where cocaine and opiates come from and where they go



Source: US government

### United States

- Cocaine market worth \$15bn-\$17.5bn a year; consumption 150-175 tonnes at street price of \$100 a gram.
- New forms of heroin show up as Colombian cartels diversify; heroin fetches wholesale price of \$180,000 to \$200,000 per kilo, up to 10 times cocaine price.
- Heroin purity on streets rises 800 per cent since 1981; street price drops 25 per cent from 1988 to 1992.
- Some \$100bn-\$200bn a year of drugs money laundered in US, the world's principal centre for money laundering.

### Mexico, Central and South America

- Colombia's Cali cartel may control more than 70 per cent of world cocaine business.
- Sixty per cent of US cocaine now passes through Mexico as interdiction delays formerly favoured Florida and Caribbean routes.
- Peru responsible for cultivation of about 60 per cent of world coca. Bolivia 21 per cent, Colombia 18 per cent.
- Potential cocaine production rises from 840-1,040 tonnes in 1988 to 955-1,165 tonnes in 1992.

### Europe

- Heroin smuggling increases through eastern Europe in wake of turmoil in former Yugoslavia.
- Europe becomes a more attractive target for cocaine traffickers as prices rise above those in US and EC; border controls are reduced.
- Seizure in 1992 of a tonne of cocaine on Finnish border shows that cartels are seeking foothold in Russia.
- Spain now main European gateway for cocaine, with an estimated 65 per cent flowing through Iberian peninsula.

### Asia and Africa

- Sixty per cent of world opium is cultivated in Burma, which doubled output since 1988.
- China now thought to be second only to Thailand as most important route for Golden Triangle heroin; opium produced in 15 of China's 22 provinces.
- Heroin cultivation and trafficking now rising in former Soviet republics of central Asia.
- Nigerian cartels seek to control heroin trafficking as country's importance grows as transit country.

## Clinton's commitment doubted

By George Graham in Washington

PRESIDENT Bill Clinton's new director of drug control policy, Mr Lee Brown, received a frosty welcome last month when he presented the administration's interim drug strategy to the Senate.

Democrats joined Republicans in criticising the skimpy document. Senator Joseph Biden, judiciary committee chairman, complained that the administration had not "taken this seriously enough."

The "war against drugs" waged in the past four years has been viewed in many quarters as a failure. Although casual and first-time drug use has declined dramatically since 1988, marijuana and LSD consumption seem to be on the rise again.

Hard-core use has barely been dented: the purity of cocaine sold on the street - an indicator of the supply situation - has risen again in the past two years after declining from 1987 to 1990, and drug enforcement officials fear a dramatic resurgence in heroin abuse.

Critics complain that the drug war strategy has focused too much on the sup-

ply end, with more than 70 per cent of the drug control budget spent on law enforcement and on interdiction efforts to stop drugs arriving in the US.

The demand end, they charge, has been neglected. Treatable drug addicts cannot obtain places in the inadequate drug treatment centres, and even addicts convicted and sent to prison are released without treatment.

Mr Brown's interim strategy appears to answer many of these complaints. Step one in his document is "an aggressive drug treatment strategy with hard-core use as its primary target."

The strategy cites a study by the Rand Corporation, a think tank and consultancy, pointing out that only around 20 per cent of cocaine users are heavy addicts, but that they account for two-thirds of total consumption. It also argues that hard-core use harms society most, fuelling the wave of drug-related violence that has ravaged US cities.

Two things, however, annoy the administration's critics in Congress: the absence of any noticeable changes in funding to

back up the changes in rhetoric, and the lack of presidential involvement.

This year's drug control budget may not be a fair indication of the administration's ultimate intentions. Drafted in a hurry, and before Mr Brown was even named to his post, the \$13.1bn budget submitted by Mr Clinton bore a striking resemblance to his predecessor's.

The White House showed little willingness to fight for this budget. Officials accepted cuts in treatment programmes proposed in the House of Representatives until Mr Brown turned and fought.

But the lack of any indication in the interim strategy that resources will be shifted among the different components of the anti-drug programme, as well as the absence of any pledge of increased overall funding, has raised questions in Congress.

When Mr Brown was appointed his position was raised to cabinet level, but his staff was cut from 146 people to 25. Mr Clinton needs to put more substance into his anti-drug drive if he is to convince Congress that that move was not symbolic of his lack of commitment to the issue.



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## NEWS: WORLD TRADE

## Boeing plans new combat aircraft

By Paul Betts,  
Aerospace Correspondent

BOEING is making a bid to return as a leading combat aircraft manufacturer by announcing yesterday it was studying the development of a new multi-role military aircraft to challenge proposals by the two main US combat aircraft manufacturers, Lockheed and McDonnell Douglas.

Boeing said it had reached an agreement with the US government's Advanced Research Projects Agency on a demonstration programme for the new modular, multi-role aircraft that could perform conventional take-off and landing missions for the US Air Force, short take-off and vertical landing missions for the US Navy and Marine Corps and conventional aircraft



Boeing's plan for a new multi-role aircraft could challenge the McDonnell Douglas AV-8B (above)

carrier operations. The new aircraft is designed to perform missions now undertaken by the Lockheed F-16, the McDonnell Douglas AV-8B built in co-operation

and under licence from British Aerospace and based on the BAE Harrier, and the McDonnell Douglas F-38.

Both Lockheed and McDonnell Douglas have also been

awarded US government contracts to explore the feasibility of a new generation short take-off and vertical landing aircraft. But the Boeing concept takes this further by proposing

a multi-role tactical aircraft to perform a variety of missions for all three US forces.

"We're excited because our work is proving the idea is affordable as well as technically feasible," said Mr Mickey Mitchell, Boeing's director of advanced tactical aircraft programmes.

Boeing is also discussing with the US general Electric and Pratt & Whitney engine groups as well as with Rolls-Royce, which produces the Pegasus powerplant for the Harrier, on a possible propulsion system for its new modular combat aircraft.

Rolls-Royce also confirmed that it is discussing possible co-operation with Pratt & Whitney on a new short take-off and vertical landing engine for the 21st century successor to the Harrier.

## Japan carmakers in slow lane to China

A huge market beckons, writes Michiyo Nakamoto

JAPAN'S carmakers owe much of their impressive growth in the past to the efforts they put into building up markets abroad.

But, in spite of the setback they face at home and in western markets, Japanese carmakers have been curiously slow to move into one thriving market that is not only geographically close but which offers strong growth for the foreseeable future.

China's growing demand for passenger cars has so far failed to attract much investment from its Asian neighbour which could risk falling behind western rivals in the race to win over one of the fastest growing markets in the world. In a bid to make up for lost time, next Sunday the Japanese government and car industry are sending a joint mission to China which they hope will help pave the way for stronger ties.

The mission of over 60 members representing all the large Japanese car and car components makers and bureaucrats from the Ministry of International Trade and Industry, is the first of its kind to China. It will be headed by Mr Yutaka Kume, chairman of the Japan Automobile Manufacturers Association and of Nissan.

The official reason for the visit is to exchange views on industrial policy, possible future co-operation and other bilateral issues. The Japanese are keen to get to know their Chinese counterparts in industry and government and to get a better picture of China's pol-

itics regarding its car market. China feels that Japan has not been eager to invest in their car industry, says a MITI official. "But that is not the case. Because Japan is close to China, their expectations are high," he explains.

While western companies from Volkswagen to Chrysler have been setting up manufacturing joint ventures in China, large Japanese makers have been conspicuously absent from the eight car manufacturing projects given official blessing of China's government.

Of the three large-car and three small-car projects approved by the Chinese authorities, only Suzuki has set up a joint venture for mini-car production. Daihatsu and Fuji Heavy, meanwhile, have formed technology transfer agreements. The potential for growth in Chinese car ownership is huge. The market is expected to grow from 1.1m units last year to 3m units by the year 2000, according to Chinese estimates.

Exports of Japanese vehicles to China have surged from 30,673 in 1990 to 96,963 last year. In the first few months of this year, exports rose from 7,940 units in January to 21,044 in March. And Japan already has six commercial vehicle joint ventures and two technology transfer accords with China.

However, the Japanese are finding China's market increasingly measures irritating. One MITI official laments that "their basic policy is to build the cars themselves."

Industry officials complain about political uncertainty and limited infrastructure. They are also finding it difficult to swallow the terms set by the Chinese. Partly as a result of these hurdles, the large Japanese companies find their interest in new markets diverted to South East Asia, where privatisation is far more advanced than in China.

With Japanese vehicle exports to China having risen dramatically as a result of moves to cool the economy, the mission will be looking for any way to bridge the gap.

## EC prods Tokyo over competition

By Andrew Hill in Brussels

MR Karel Van Miert, EC competition commissioner, yesterday called on Japan to translate recent declarations on strengthening competition policy into "concrete and effective action."

Speaking at a Japan-EC competition seminar in Tokyo - the first of its kind - Mr Van Miert said competition policy should be used to "open up the Japanese market to fair and undistorted competition from abroad."

According to the text of his speech, released in Brussels, Mr Van Miert said the Japanese government's ambitious policy declarations would have "no value" unless they were backed up by action. He said the Japanese authorities had to take into account foreign as well as domestic companies when framing competition policy.

Like his predecessor Sir Leon Brittan, Mr Van Miert picked out Japan's restrictive distribution system as one potential barrier to competition from non-Japanese companies. Mr Van Miert welcomed the 1991 guidelines on opening

up the system, issued by the country's monopolies watchdog, the Fair Trade Commission. But he said they still fell short of the EC's competition rules.

He also welcomed the FTC's "increased vigour" over the last few years, but called on the Japanese government to provide additional backing for the watchdog, by increasing the scope of the country's anti-monopoly law.

The competition seminar aims to bring together European and Japanese competition authorities, lawyers, academics and consumer representatives to examine and compare anti-trust policies.

EC commissioners yesterday approved plans to streamline anti-dumping, anti-subsidy and safeguard inquiries.

The proposals - to set deadlines, give consumers a greater say in cases and separate dumping and injury investigations - will now be put to EC ministers. Sir Leon Brittan, EC trade commissioner, said the proposals would "shorten the period of doubt and uncertainty that can seriously hamper the business plans of firms under investigation."

## Treuhand brokers DM1bn barter deal with Russia

By Judy Dempsey in Berlin

THE Treuhand privatisation agency, and a consortium led by Deutsche Bank and Westdeutsche Landesbank, have arranged a barter and financing package worth DM1bn (640m) for the export of east German manufactured goods to the Tymen region of the Russian Federation.

However, the agency and the banking consortium have still to confirm that part of the financing agreement will be guaranteed by Hermes, the German export credit agency which last August suspended credits to the Russian Federation.

Under the accord's terms, Tymen will buy DM200m of goods from eastern German enterprises, while at the same time, it will export oil and other gas products to Germany. The latter will be sold at world market prices.

The remaining DM800m of orders from Tymen, which is anxious to obtain equipment for drilling and transport, will be financed through the consortium.

Yesterday, a Treuhand spokesman said there were signs that Hermes would support the deal, which is seen as crucial for reviving links between eastern German man-

ufacturing and the former Soviet Union.

The agreement follows a recent visit to Berlin by a trade delegation from Tymen led by Mr Leonid Roketsky, who held talks with Mr Hans-Georg Pohl, a senior member of the Treuhand's department for trade with eastern countries.

The contract, which follows earlier barter deals arranged by the Treuhand with the former Soviet Union, is a welcome boost for east Germany's heavy manufacturing sector which before German unification depended on exports to the countries of eastern Europe and Russia.

## Brussels agrees big trade concessions to Moscow

THE European Commission yesterday agreed on significant trade concessions to Russia as part of its effort to get a new EC trade and political agreement with Moscow before the Russian general elections in December, writes David Gardner in Brussels.

Brussels is proposing to treat Russia almost as though it were already a member of the General Agreement on Tariffs and Trade, and wants to

set 1998 as the date when the Community and Russia will decide whether to establish a common free trade zone. The proposals are expected to be endorsed as a new Commission negotiating mandate when foreign and trade ministers of the 12 meet in Brussels on Monday.

The Commission and the 12 had already agreed that the "partnership" talks with Russia should hold out the eventual prospect of a

fully fledged free trade zone.

At the time there were fears that Mr Yeltsin might lose a popular referendum on Russia's reforms. The new insertion of a date is, however, regarded as a psychologically important demonstration of EC commitment to Russia.

But of greater substance for Moscow is the Brussels proposal to treat Russia as "an economy in transition" rather than a so-called "state

trading" country, such as China or North Korea. "They want to be seen as capitalist rather than communist," a Commission official said yesterday.

Moscow had obviously refused to be bracketed in "state trading" even though, for instance, its energy prices are artificially low because of state subsidies, Russian companies still have no market-based mechanisms for calculating their production costs, and Russia has still not

been accepted into Gatt.

If the EC were to insist on state trading treatment, it would make it far easier for the Europeans to take measures against imports from Russia than under Gatt rules.

Under the Commission proposal, however, the EC would have to prove "substantial" injury to European producers before imposing anti-dumping duties, and to consult Russia before imposing the levies.

## STATE PROPERTY AGENCY

## PRIVATISATION OF THE HUNGARIAN NETWORK POWER DISTRIBUTION Rt-s

The Hungarian State Property Agency calls for a one-round tender for the partial sale of its ownership percentage in the following Power Distribution Rt-s:

Budapesti Elektromos Művek Rt.  
Észak-dunántúli Áramszolgáltató Rt.  
Északmagyarországi Áramszolgáltató Rt.  
Délmagyarországi Áramszolgáltató Rt. and  
Dél-dunántúli Áramszolgáltató Rt. and  
Tiszántúli Áramszolgáltató Rt.

By this transaction the Agency offers a safe and reliable long-term investment facility for trade and strategic investors in Hungary. Through the privatisation it proposes to provide co-owners to the public companies limited by shares (Rt-s) and to create the possibility and the conditions of obtaining recent and up-to-date technological procedures, material capital, know-how and high technology, up-to-date management activity and connection to the West European Electric Power System (UCPTE) through the new owners and shareholders.

A block of shares being equivalent to 15% of the company's share capital will be sold within the framework of the competitive tendering. Bids may be submitted exclusively for the sale of the block of shares having the nominal value indicated, and the bidder shall undertake obligation to subscribe a quantity of shares equivalent to minimum 10% and maximum 15% (as planned) of the share capital during increase of the company's share capital subscribed for 1994.

## Advertised companies:

1) Budapesti Elektromos Művek Rt.

## Privatisation consultant:

Simon Allen or Margaret Deese  
Rumbach Center  
Address: 1075 Budapest, Rumbach S. u. 21.  
Phone: 269-6910  
Fax: 269-6936

2) Észak-Dunántúli Áramszolgáltató Rt.

## Privatisation consultant:

CIB - Közép-európai Nemzetközi Bank Rt.  
Capital Market and Investment Division  
Radnóti Zoltán  
Address: H-1052 Budapest, Váci utca 16/b.  
Phone: (36-1) 138-2352 (33-1) 44-637940

3) Északmagyarországi Áramszolgáltató Rt.

## Privatisation consultant:

Argenta Top Bróker Rt.  
Attention: Mr Péter Budaházy  
Address: H-1052 Budapest, Vármege u. 3-5  
Phone: 267-4210

4) Délmagyarországi Áramszolgáltató Rt.

## Privatisation consultant:

Sándor Preszter at GAUFF Budapest Kft.  
Address: H-1106 Budapest, Jászberényi út 24-36  
Phone: (36-1) 157-1957, 157-4634

5) Dél-dunántúli Áramszolgáltató Rt.

## Privatisation consultant:

CIB - Közép-európai Nemzetközi Bank Rt.  
Capital Market and Investment Division  
Radnóti Zoltán  
Address: H-1052 Budapest, Váci utca 16/b.  
Phone: (36-1) 138-2352 (33-1) 44-637940

6) Tiszántúli Áramszolgáltató Rt.

## Privatisation consultant:

Knight Wendling Consulting Kft.  
Address: H-1142 Budapest, Teleki Blanka u. 15-17  
Phone: 183-5701  
Fax: 251-5703

In all the six tender procedures the bids shall be submitted in 3 - say: three - copies in Hungarian or English language, in person or through a proxy in a sealed envelope not bearing a corporate identification, but including a reference to the tender. Out of the bids submitted, the original shall be clearly indicated.

Deadline and place of submitting the tender:  
15 November 1993, up to 3:00 p.m.  
State Property Agency  
H-1133 Budapest, Pozsonyi út 56. Iktató

Foreign and domestic legal entities and ad hoc consortiums established for the competitive tendering may participate in the tender procedure. The bidders may be exclusively trade investors.

The State Property Agency reserves the right to announce the tender as unsuccessful. The bidder shall keep its bid as binding for at least 90 days from the deadline of submission.

It is a condition of the participation in the tender to take over the detailed tender specification, prospectus and information memorandum against a consideration of USD 1,000 or its HUF equivalent (+VAT) following signature of the confidentiality



## London, Dallas, Milan, Paris?

This 325,000 sq ft world class shopping centre with a weekly visit of some 250,000 people could be anywhere. It has a 120,000 sq ft Debenhams department store, trading on two levels (so it's not Dallas, Milan or Paris). Other national multiples include Laura Ashley, Virgin, Dorothy Perkins, Gap and Benetton to name but a few. With an affluent customer profile, (the 2nd highest percentage of any UK regional population earning over £30,000, coupled with an almost 20% lower cost of living) the retail performance in the city is above average for the UK, if not in the top ten. It also has a 1,600 space car park which is 25% of the city's total shoppers' car parking (Belfast's London rival out).

So where is this world class shopping centre? To find out more write to Castle Court, Belfast, Northern Ireland's premier shopping centre (people, what a place to live).

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Debenhams  
061 236 9995  
47-49 Henry Street, Manchester M2 1LN



## MBO at former Daf plant now in profit

By John Griffiths

LEYLAND DAF VANS is operating profitably just nine months after a management buy-out from administrative receivership, and will be able to fund a £50m product modernisation programme out of earnings, chief executive Mr Allan Amey said yesterday.

Gradual recovery in the UK commercial vehicle market and the revival of exports to Continental Europe has put Birmingham-based LDV firmly on course to achieve its output target of 12,000 units and a £150m turnover next year, said Mr Amey.

This compares with 5,000 built since the MBO, led by Mr Amey, ended the Receivership in April. Until February LDV had been part of the Anglo-Dutch DAF commercial vehicles group, which absorbed the formerly UK state-owned Leyland Vehicles in 1987 but which collapsed at the beginning of this year.

The company has signed its first export contract, with Spanish distributor Hispania, for the first 200 vans already en route to Spain. And it is discussing the revival of sales through some DAF dealers in Continental Europe, following the rescue of the Dutch truck maker by Dutch and Belgian authorities. It is also discussing with the UK's Rover Group possible sales through its Continental car dealerships.

Export sales should reach 2,000-3,000 next year with vehicles on sale in France, Holland and Belgium as well as Spain, said Mr Amey.

There is already a population of nearly 30,000 Leyland DAF vans in continental Europe as a result of their sale through DAF truck dealers prior to the receivership. LDV's goal is to sell around 15,000-18,000 vans in the UK, with a further 10,000 exports.

The vans MBO, which involved a total package worth £40m, is backed by venture capital group at the Bank of Scotland and TSB subsidiary United Dominions Trust, as well as having received some government aid. Mr Amey said LDV could operate profitably at a volume of 10,000 units a year, including provision for the £50m product programme, which is to be completed within two or three years.

The company is also planning a substantial restructuring of its operations to more than halve the number of its component suppliers to fewer

than 200. These "first tier" suppliers will have the task of developing and supplying component systems to LDV with smaller parts makers feeding their output into the "first tier" suppliers.

Mr Amey was speaking as Society of Motor Manufacturers and Traders statistics published yesterday showed that the UK market for panel vans, the sector in which LDV competes, jumped by around 18 per cent in October compared with the same month a year ago, following a 13.5 per cent rise in September.

In the first half of this year the panel van market was down by six per cent even from last year's severely depressed levels and yesterday's statistics have left LDV, at least, convinced that the corner has been turned.

Mr Jim Parke, LDV's sales and marketing director, said total industry sales this year should at least match last year's £4,683 units and rise to at least 88,000 next year, although this is still far below the 145,000 record of 1989. LDV, whose market share plunged from a record 15.5 per cent last year to 8.6 per cent just before the buy-out, currently is averaging about 13 per cent.

pay and even more disappointed that we have been given no commitments on job security.

"We have accepted restructuring and downsizing so now those who want to stay in Ford should be able to. The company should realise that a workforce who feel secure will be more productive and everyone will benefit in the long run."

### Britain in brief



### Exporters 'losing out' in E Europe

UK exporters are losing out to companies based in other European Community states in the race to establish markets in the former communist countries of eastern Europe.

Figures produced for Labour by the Commons Library show that Germany, Italy and France all exported substantially more than the UK to eastern Europe last year.

German exports to Poland, the Czech and Slovak republics, Hungary, Romania, Bulgaria and the former Soviet Union amounted to US\$23.5bn - nearly 10 times the UK figure of \$2.7bn.

France achieved total sales of \$4.7bn and Italy \$5.4bn. Even The Netherlands, with a population of just 16m, sold goods and services worth \$3.69bn.

The figures also show that British trade with eastern Europe is increasing more slowly than that of other EC countries.

UK sales last year were 49 per cent higher than in 1990, just after the fall of the Berlin Wall. German exports were up by 66 per cent, and Italian exports by 51 per cent. Dutch exports were up by 76 per cent.

### Warning on satellite TV

National Heritage secretary Mr Peter Brooke plans to write to UK satellite television operators next week warning them that they have to move to a majority of European programming.

Mr Brooke gave the warning yesterday in the first biennial report to the European Commission on the European content of broadcasts in the UK.

All of the conventional broadcasters and a number of satellite channels are already meeting the EC requirement to move towards a majority of European made programming.

"A number of broadcasters have yet to meet the targets for European and independently produced material referred to in the (EC) directive," Mr Brooke said.

As a first step the National Heritage secretary will be writing to all the relevant broadcasters asking why they have not met the requirements.

### Ford offer disappoints

Leaders of Ford's 7,000 office workers in the UK said they were disappointed with a pay offer that would give them a 1.5 per cent increase next year and 2.8 per cent the year after.

The pay offer which would run from November 1 in respective years is in line with that offered a week earlier to the car manufacturer's 23,000 production workers.

Mr Jim Thomas, chief negotiator for the Manufacturing, Science and Finance union, said after the talks: "We are disappointed with the offer on

### Lamont attacks Clarke policy

Mr Norman Lamont, former chancellor of the exchequer, reiterated his call for the government to cut spending "across the board" and increase health charges.

In another attack on Mr Kenneth Clarke, his successor as chancellor, Mr Lamont said that present policies would "never" achieve his goal of reducing the proportion of national income spent by government from more than 45 per cent to less than 40 per cent.

"The plain fact is, we are never going to get there", he said.

The government should raise health service charges and cut state contributions to social insurance, Mr Lamont told a London business forum sponsored by Thomas Cook and American Airlines.

### Bullish view on recovery

A somewhat more bullish view of the UK economy emerges today from a survey of 1,500 medium and smaller sized businesses in manufacturing, engineering, wholesaling, retailing and farming.

The UK 200-Group of practising chartered accountants said its late October survey showed that 42 per cent of companies reported an improvement in their business against 34 per cent three months earlier, while those saying business was worse fell to 15 per cent from 23 per cent.

Mr David Turnbull, the group's managing secretary, said the results were the most positive since the survey started 24 years ago. But there were "no grounds for complacency" because it also disclosed strong doubts about prospects for continued recovery next year.

### Walk out at shipyard

Five hundred office workers and supervisory staff at Yarrow's, the Glasgow warship yard, walked out on indefinite strike in protest at a pay offer said by the company to amount to a rise of 1.5 per cent across the board, and further performance-related increases of up to 2.5 per cent.

The yard - part of the GEC group - currently has orders for three warships for the Royal Navy and two more for the Malaysian navy.

The company said the walk-out would have no immediate effect on production, but could affect some work if it was prolonged.

### City Airport

Conti-Flag, the German airline, is to start services from London City Airport. It will offer flights to Vilnius in Lithuania, Riga in Latvia and Hamburg, Germany.

Central government efficiency unit finds that identity cards could stop benefit cheats

## Front-runners emerge for ID fraud system

THORN Secure Systems, part of Thorn-EMI, and Electronic Data Systems, the information technology subsidiary of General Motors, are the front-runners to introduce a system of identity cards for the country's 20m social security claimants.

Government officials said yesterday that an identity card system was likely to be introduced after an investigation of how to reduce fraud in the social security budget. The investigation, being overseen by the government efficiency unit, is expected to be completed in the next few weeks.

Thorn and EDS are the favourites to win the contract to implement the system, officials said. Both have been consulted during the anti-fraud investigation.

It is estimated that a computerised anti-fraud system would cost more than £100m, but could lead to annual savings of at least £200m in the social security budget.

Officials estimate the savings would come from the near-elimination of three kinds of fraud: use of stolen benefit books, use of forged books and claiming under a variety of names.

A possible communications infrastructure for the system already exists. Rascal Network Systems runs a data network

system that links 40 government departments, but which has effective "walls" between departments. This network joins the 600 or so Department of Social Security offices throughout the country.

The main expense would be additional hardware. If the DSS decided to set up an automatic telling machine in every DSS office at about £100,000 each the total hardware cost would be £60m.

However, officials say the preferred scheme will probably involve installing simple point-of-payments machines in post offices. These operate like point-of-sale machines in supermarkets and would have the advantage of ensuring that sub-post offices in villages do not become redundant because of the existence of ATMs in the street.

Whether the DSS will install a machine in all 12,000 sub-post offices or only in the 6,000 main ones has not been decided.

Another important consideration in choosing the system is the concerns of civil rights lobby groups that individuals' privacy may be at risk. However, officials say that technology now exists to produce the kind of identity card that would overcome civil liberty fears.

Claimants could have a

Thorn-EMI unit and subsidiary of General Motors lead the running to launch new anti-fraud system for social security offices, reports Stewart Dalby. A telecoms network already links 600 main sites

"hand scan" and then the shape of the hand would be stored electronically, together with relevant social security data, on a magnetic stripe on a swipe card of the kind used by banks. When claimants collected benefits or pensions, they would have their hands "read" by a machine to verify identity.

Mr Brian Maitland Reynell, government services director of EDS, said trials in the US had shown that hand scans could be devised that could not be used by the police for criminal identification purposes, thereby alleviating some of the civil liberties concerns.

His company would be able to set up the entire system for the government. He could not put a cost on such a system because it would depend on how much hardware was needed. "The cost would certainly be less than the potential savings," he said.

Nor would EDS actually make the cards. There are a number of companies in Britain capable of doing this, such as McCorquodale Card

Technology, Datacard and De La Rue.

McCorquodale claims to have the largest share of an annual UK market of around 260m cards. The swipe cards cost between £1 and £5 to manufacture.

Thorn Secure Systems possesses the relevant technology to compete with EDS, either through watermarks on magnetic strips on swipe cards, or through fingerprinting a variant of the hand scan. Watermark magnetics is a technique developed by Thorn and is a sophisticated version of that on bank notes.

Mr Maitland Reynell's view is that multiple identity fraud, where people make claims under a number of names, is an area in which a card system could be effective, although not totally foolproof. It would help because most benefit books do not carry photographs and require only a signature to release money.

Estimates of the total size of the fraud range from £1bn to £5bn. In Australia, the only country where there has been

a detailed study of social security fraud, it was estimated that the level of fraud ranged between 5 per cent and 15 per cent of total payments.

British officials are determined to take a conservative view and base their estimates on the 5 per cent level.

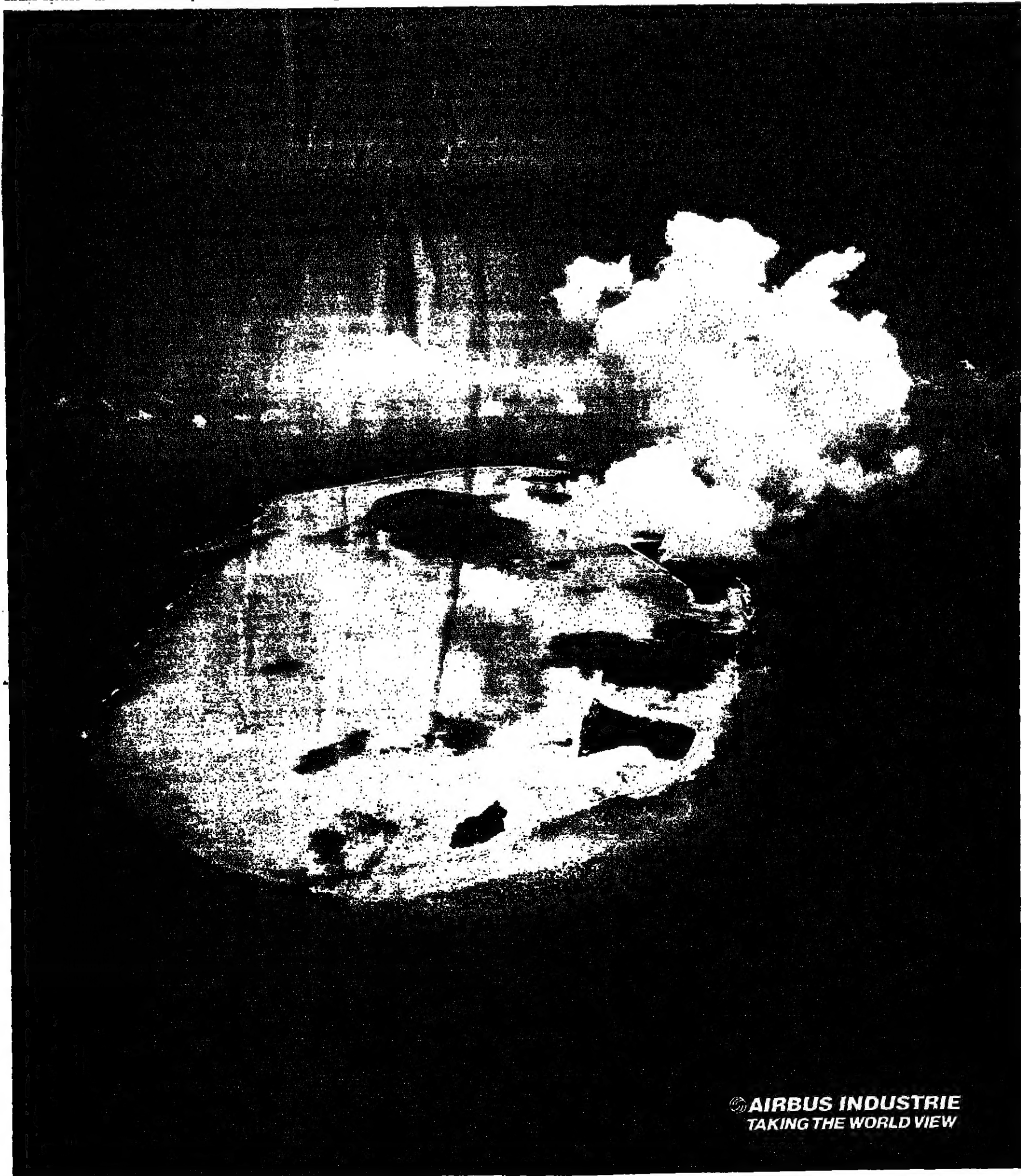
That would mean fraud of £3bn-£4bn, of which a quarter, or more than £900m, is thought to stem from stolen benefit books, forged books and multiple identity fraud.

The much harder to detect fraud of moonlighting - claiming benefits while working - could account for a substantial part of the rest. If there was a desire to attack this kind of fraud then it would probably require the introduction of the more sophisticated smart cards that contained a microchip and could hold far larger amounts of updatable information about the private circumstances of beneficiaries, including their work and income.

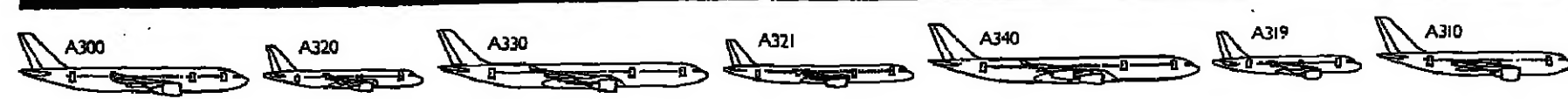
But the government appears reluctant to go down this route because of the implications for civil liberties.

## No other aircraft manufacturer takes a more serious view of the environment.

Airbus Industrie has always believed in a healthy synergy between economic growth and the needs of the environment. This continues to be a major driving force in the design philosophy of all our aircraft. For example, we are equipping five of our new ultra-long-range A340s with devices to measure ozone and water-vapour concentrations every half-mile flown in daily airline service. This initiative will produce millions of readings to assist research into global warming.



AIRBUS INDUSTRIE  
TAKING THE WORLD VIEW





## NEWS: UK

## IRA 'offer' to end violence

By David Owen in London and  
Tim Cooney in Dublin

MR JOHN HUME, leader of the nationalist Social Democratic and Labour party, sought yesterday to revive his joint peace initiative with Mr Gerry Adams, president of Sinn Féin, by claiming the offer of a "total cessation of violence" was on the table as a result of the dialogue.

Speaking after a meeting with Mr John Major, the prime minister, Mr Hume said there would be "peace within a week" if the initiative was embraced.

"My conclusion is that that is now a real possibility - a total cessation of violence not a ceasefire," Mr Hume said.

But in a move likely to infuriate Unionists, whom London and Dublin are trying to lure back to the negotiating table, Mr Hume said he intended to brief Mr Adams, who leads the political wing of the Irish Republican Army, on his hour-long meeting at Downing Street last night.

Mr Major is seeing the leaders of all four of the province's constitutional political parties over the next few days. It emerged yesterday that the Irish government believes it will become clear by early December whether there is to be a breakthrough on the London-Dublin peace initiative for Northern Ireland announced by Mr Major and Mr Albert Reynolds, his Irish counterpart, in Brussels last week.

Mr Reynolds told the Irish parliament he intended to meet Mr Major again on December 3, before the next meeting of the European Council, to discuss



John Hume pictured after his meeting in Downing Street

the peace process.

In the House of Commons, Mr John Smith, the opposition Labour party leader, called on Mr Major to "take the lead" in efforts to bring about a lasting peace, while hinting that an early return to round-table talks was unlikely.

an "inescapable moral obligation" on the leaders to

"co-operate in a new dialogue". Mr Major said he intended to take "a very direct interest" in efforts to bring about a lasting peace, while hinting that an early return to round-table talks was unlikely.

Mr Reynolds unexpectedly

met Mr Hume late on Wednesday evening. The government gave no explanation for the meeting, but it is thought it was concerned the SDLP leader might be about to reveal publicly the details of his peace initiative with Mr Adams.

## Wharf in profit by '1997-98'

By Andrew Jack

CANARY WHARF, the big London Docklands development that reached an arrangement with its creditors to remove it from administration at the end of last month, should be making a profit within four years, according to forecasts made by its professional advisers.

Mr Alan Bloom, who was one of the joint administrators to Canary Wharf at accountants Ernst & Young, said he expected income to exceed expenditure by 1997-98.

The forecasts are based on assumptions of occupancy of 80-90 per cent, and follow enormous write-offs of liabilities and restructuring of debt.

He would not disclose the current rental income on the project, but said annual operating expenses were expected to be £12m-£15m a year. There are outstanding construction costs of £5m-£7m.

Unsecured creditors to the project can expect to receive a maximum payment of 15p in the pound, with a further 25p to 130 contractors willing to provide warranties on existing work.

The details emerged shortly before the accounts for the restructured businesses are due to be filed at Companies House for the year to October 31 1993.

Price Waterhouse, the auditors, signed the figures in the last few days. The consolidated accounts for 1992 are expected to show a net loss of £1.2bn on the group, which reflects its acceptance of costs of restructuring the debts.

Total bank loans on the balance sheet as long-term liabilities will be £152m, reflecting the net present value of the £272m in debts owing to the banks at the time of insolvency.

An additional £98m facility has been made available - initially by the European Investment Bank - to fund the Jubilee Line underground railway.

The 18 banks which now own Canary Wharf through a company called Sylvester Investments have also made available up to £180m in other facilities.

## Market-testing misses targets

By John Williams,  
Public Policy Editor

SAVINGS from contracting out civil service (government administration) work have come to much less than expected when the market-testing programme was launched 18 months ago, according to government figures.

In a Commons statement, Mr William Waldegrave, the public services minister, said that market-testing had so far produced savings of around £100m in the first round. Tendering has been completed on just £700m of work, less than half the £1.5bn target set for the end of September.

Savings are running at 14 per cent of the value of the work, compared with the 25 per cent figure predicted when the programme was launched.

Mr Waldegrave announced that further work worth £300m and currently carried out by 35,000 civil servants would be market tested in the coming year. Next year's programme includes many items not completed in the first round.

A "substantial further tranche" of the first year's programme would be completed shortly, he said, including the £250m contract for managing inland revenue's computers.

Around 10,000 civil service jobs would go as a result of the first year's market-testing. Most would be redeployed to other civil service work, while some would be transferring to companies which had won contracts.

Market-testing has been dogged by delays, particularly over the employment rights of staff whose jobs are contracted out to the private sector. Contractors have also accused the civil service of dragging its feet and failing to realise the efficiency savings possible from contracting-out.

The results of the first round of market-testing show that the civil service has been successful in holding on to much of the work put out to tender. In-house teams won 57 per cent of the bids by value, and 31 of the 150 contracts awarded where there was a competition between the existing staff and outside contractors.

Yesterday's announcement came amid mounting complaints from private sector companies bidding for work. Writing in the FT yesterday, Mr Charles Cox of Hoskyns, the information technology company, said that the programme had been implemented in ways that undermined the potential for savings. The number of private sector bidders would diminish unless the government addressed the problems faced in winning bids.

Another bidder said yesterday that some departments had made it very hard for outside bidders to win. "We've been pitching into bidding like lambs to the slaughter," he said. "Next year there'll be much less interest."

The savings of about £100 million would occur year after year, according to Mr Waldegrave. Spectacular gains had been achieved in some parts of the programme, he said.

## Plan for curbing water costs

By David Lascakas,  
Resources Editor

MR IAN BYATT, the water industry regulator, promised yesterday to "get customers off the endless price escalator" as he laid out plans for next year's review of water prices.

His promise was immediately welcomed by water consumers who have complained loudly about rising water bills and the increases in the salaries that water company executives have paid themselves. But it drew a guarded response from the water industry.

In a long-awaited consultation document, Mr Byatt indicated that he plans to cut the rate of return that water companies have been allowed to earn since privatisation in 1989.

This had been set at a deliberately high level to attract new investors, he said. But now the risks were lower, and companies should fund improvements through greater efficiency or higher borrowing.

The only excuse for price increases after the new formula comes into effect in 1996, he said, would be investments necessary to meet higher water quality standards, mainly from the EC. But there would be some flexibility based on each company's circumstances.

He said that he does not have to agree a new 10-year price formula with water companies. If they object they can appeal to the Monopolies and Mergers Commission. Details will be announced in July.

## Work starts on Cardiff Bay barrage

By Roland Adurbam

PRELIMINARY work will start today on the £162m project to build a three-quarter-mile (1.1km) barrage across Cardiff Bay as a crucial part of the regeneration of the Welsh capital city's waterfront.

Parliamentary approval for the barrage bill was finally completed on Wednesday evening after more than six years of argument and delay. Royal assent is expected today.

The barrage, at the mouths

of the rivers Taff and Ely, will create a permanent freshwater lake of 500 acres designed to improve the appearance of the bay, which becomes mudflats at low tide.

Opposition has come from Friends of the Earth and other environmentalists who fear the loss of its distinctive birdlife and believe that houses could be damaged by rising ground-water.

The scheme is the flagship project of Cardiff Bay Development Corporation, which was

set up in 1987 to regenerate 2,700 acres of derelict docklands. The barrage is expected to take four years to build. Seven contractors have been invited to tender for the main contract, which is likely to be awarded within the next six weeks with construction to start next February. Bechtel is acting as project manager.

The corporation hopes the barrage will act as a catalyst for business and leisure development along an eight-mile waterfront. So far, work has

concentrated on improving the infrastructure. The main office relocations to Cardiff Bay have been by the Dutch group NCM Credit Insurance, which is building a new UK headquarters, and Welsh Health Common Services Authorities.

Mr Gwilym Jones, Welsh Office minister, said: "The barrage forms the centrepiece of a regeneration strategy which offers the prospect of over 28,000 new jobs, 4,400 homes and £1.2bn of private sector investment."

## Creutzfeldt-Jakob verdict

By Clive Cookson,  
Science Editor

AN INQUEST jury yesterday returned a verdict of "medical misadventure" on Patrick Baldwin, a 29-year-old naval engineer who died of Creutzfeldt-Jakob Disease, a brain disorder contracted as a result of contaminated growth hormone.

Lawyers acting for Mr Baldwin's parents said the verdict opened the way for families who had suffered from contaminated hormones to take legal action against the government for compensation. The Baldwin's solicitor, said writs would be issued in the High Court next week.

Mr Baldwin was one of 1,900 children in Britain who received growth hormone to treat short stature between 1956 and 1985. An unknown quantity of the hormone - extracted from the pituitary glands of corpses - was contaminated with CJD, a human version of BSE or mad cow disease.

After the verdict the coroner, said "It would be advisable for the 1,900 people who were given the human growth hormone to be monitored very carefully."

Last month Australian researchers estimated that 30,000 people worldwide were treated with potentially contaminated hormones before 1985, when three young people died of CJD and the procedure was stopped. Companies now make safe synthetic hormones.



## ESTONIA

International Tender for the sale of  
**INDUSTRIAL ENTERPRISES**  
by the Estonian Privatization Agency

Closing date:  
December 16, 1993

Enterprise number, name, location (in brackets: type of business/number of employees at June 1993)

## GENERAL INDUSTRY

[Capacity/turnover in EKK per year]

EE-021 RAS Salla Viljandi Plant  
EE2900 Viljandi  
(Fruit and vegetable preserves [5 mio pcs],  
canned meat [2.5 mio pcs]/100)

EE-027 RAS Bati ES  
EE2000 Narva  
(Turbo-molecular vacuum pumps, remote  
gamma ray therapeutic apparatus, mechanical  
manipulators, radiotelescope thermoelectric  
generators, measuring devices, plastic parts/700)

EE-094 RAS Viru Silup  
EE2200 Kadima, Lääne-Virumaa  
(Syrup [7,200 lt], starch [processing of raw  
potatoes 30,000 tons]/48)

EE-333 RAS Viru EPT  
EE2710 Parkside, Viru Maakond  
(Pest production [pest fields 1,261 ha], metal  
processing, services/134)

EE-436 RE Raasku Elekter  
EE2250 Raasku, Harju Maakond  
(Electrical control cabinets [3 mio EKK]/89)

EE-437 RAS Eestläh  
EE0014 Tallinn  
(Maintenance of electrical household  
appliances [2.2 mio EKK]/76)

EE-438 RE Tallinna Helikassettehas  
EE0026 Tallinn  
(Manufacturing of recorded music tapes  
[5 mio pcs]/27)

EE-468 RAS Harju Asfaltbetooni tehas  
EE2270 Lagedi  
(Asphalt [28,000 t]/74)

EE-470 RAS Tartu Asfaltbetooni tehas  
EE2400 Tartu  
(Asphalt [150,000 t]/68)

## CONSTRUCTION INDUSTRY

[Capacity/turnover in EKK per year]

EE-226 RAS Silla  
EE2010 Silla  
(Construction work, sawn timber, pre-cast  
concrete, wholesale trading [pre-cast concrete  
products 55,000 cbm, structural metal products  
1,000 t, wooden articles 1,000 sqm]/300)

EE-298 RAS Eimu  
EE0107 Tallinn  
(Pre-cast concrete, construction of panel  
houses, structural metal products, warehouse  
for construction materials [pre-cast parts  
200,000 cbm]/48)

EE-300 RAS Narva Ehitus  
EE2000 Narva  
(Construction works [turnover 20 mio EKK]/315)

EE-301 RAS Eesti Vesiehitus  
EE0017 Tallinn  
(Hydrotechnical construction [turnover  
22 mio EKK]/255)

EE-305 RAS Silbet  
EE2020 Kõhna-Järve  
(Concrete products [400,000 cbm], mineral wool  
[400,000 cbm], metal products, building  
construction, rental of machinery and equip-  
ment for construction/89)

EE-318 RAS Eesti Rannaehitus  
EE0003 Tallinn  
(Harbour asphalt [500,000 sqm]/48)

EE-326 RE EMET  
EE0013 Tallinn  
(Construction of sewage networks, civil works  
[laying of 100 km pipes], renting of machinery  
and installations for road construction/306)

EE-386 RE Sillamäe tehas nr. 423  
EE0001 Tallinn  
(Construction of bridges [300-500 m], freeways  
and tunnels/148)

EE-396 VE Raudval  
EE0014 Tallinn  
(Construction of railways [40 km], general  
construction/100)

EE-401 VE Bark  
EE2000 Narva  
(Pre-cast concrete products [30,000 cbm],  
structural metal parts, reinforced concrete parts,  
ready-mixed concrete and mortar/158)

EE-465 RAS Via  
EE2400 Tartu  
(Road construction [20 km road surface, 6 km  
road]/70)

## WOOD AND WOOD PROCESSING

[Capacity [S = Sawn timber, L = Logs] per year]

EE-405 RAS Aegviidu Metsamajand  
EE2200 Aegviidu, Harju Maakond  
(Logging and transport, sawn timber, wooden  
articles [S 3,500 cbm, L 15,000 cbm]/83)

EE-406 RAS Alutaguse Metsamajand  
EE2032 Iksa, Ida-Virumaa  
(Logging and transport, wood processing,  
woodprocessing services [S 3,000 cbm,  
L 20,000 cbm]/64)

EE-407 RAS Elva Metsamajand  
EE2442 Elva, Tartumaa  
(Timber trading, wood for paper production,  
sawn beams, firewood, sawn timber [S 7,000 cbm,  
L 20,000 cbm]/78)

EE-408 RAS Hiiumaa Metsamajand  
EE3200 Kärdla  
(Wood trading, sawn timber, wooden construc-  
tion components, wooden articles, furniture  
[S 6,000 cbm, L 20,000 cbm]/70)

EE-410 RAS Kilingi-Nõmme Metsamajand  
EE3622 Marana, Saaremaa vald, Pärnu Maakond  
(Logging and transport, sawing and planing of  
wood, wooden articles, wood chips [S 4,000 cbm,  
L 10,000 cbm]/147)

EE-411 RAS Kõhna-Järve Metsamajand  
EE2045 Kõhna, Ida-Virumaa Maakond  
(Logging, firewood, sawn timber [S 4,000 cbm,  
L 8,000 cbm]/77)

EE-413 RAS Maistra Metsamajand  
EE3422 Hageri, Rapla Maakond  
(Logging, sawn timber, windows, garden  
cottages [S 6,000 cbm, L 10,000 cbm]/49)

EE-418 RAS Saaremaa Metsamajand  
EE3300 Kuressaare  
(Sawn timber, firewood, sawdust, furniture,  
wooden products, transportation [S 3,500 cbm,  
L 20,000 cbm]/55)

EE-419 RAS Suure-Jaani Metsamajand  
EE2910 Kõdama, Viljandimaa  
(Timber trading, sawing and planing of wood,  
wooden cottages, wooden articles, retail  
trading, transportation [S 6,000 cbm,  
L 20,000 cbm, 200 cottages]/142)

EE-420 RAS Puittehas  
EE2014 Tallinn  
(Sawn timber, souvenirs, shelves, wooden  
cases, summer cottages, timber trading,  
transportation [S 3,000 cbm, L 10,000 cbm]/49)

EE-422 RAS Tudu Metsamajand  
EE2080 Sonda, Ida-Virumaa Maakond  
(Wood processing, timber trading [S 3,000 cbm,  
L 20,000 cbm]/64)

EE-423 RAS Valgamaa Metsamajand  
EE2500 Valga  
(Sawn timber, wood processing [S 4,500 cbm,  
L 20,000 cbm]/83)

## WHOLESALE TRANSPORTATION

[Turnover in EKK per year]

EE-217 RAS Eesti Tekstiil  
EE0008 Tallinn  
(Textile wholesaler [store 2,700 sqm, warehouse  
5,000 sqm, 34 mio EKK]/70)

EE-245 RAS Tarniks  
EE0014 Tallinn  
(Office equipment, electronics wholesaler  
[warehouse 11,000 sqm, 28 mio EKK]/60)

EE-246 RAS Eesti Rõivast  
EE0006 Tallinn  
(Garments wholesaler [2 own shops, 2 rented  
shops, 33 mio EKK]/90)

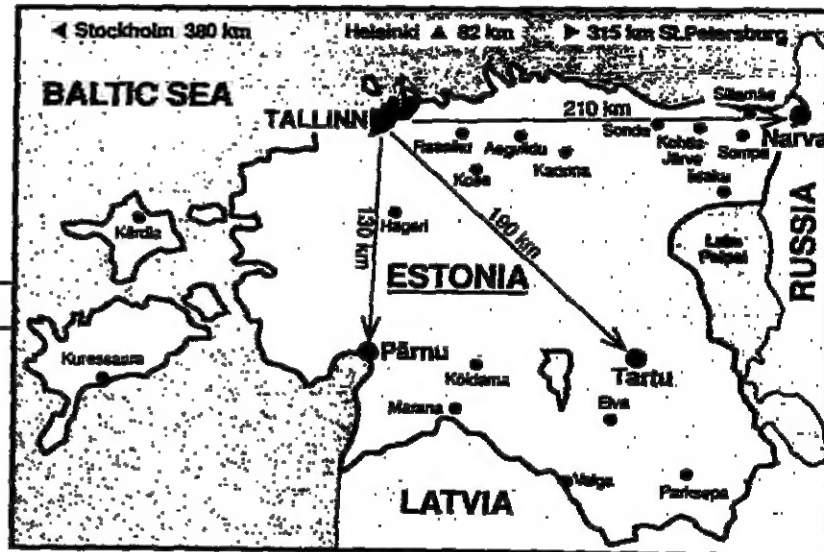
EE-254 RAS Eestläh  
EE0006 Tallinn  
(Shoes wholesaler [1 rented shop, 17 mio EKK/  
51])

EE-257 RAS Universaal  
EE0001 Tallinn  
(Textiles, shoes wholesaler [24 mio EKK]/58)

EE-260 RAS ABT  
EE0014 Tallinn  
(Food wholesaler [warehouse 30,000 sqm,  
65 mio EKK]/25)

EE-269 RAS Ida-Virumaa Kaubabasi  
EE2020 Sonda, Kõhna-Järve  
(Food and agricultural raw materials wholesaler  
[16 mio EKK]/71)

EE-446 RAS Kopli Autobaas  
EE0017 Tallinn  
(General transportation [257 tonnes, average  
carrying capacity 7 t, 9 mio EKK]/168)



## Tender Conditions

1. In accordance with its legal mandate, Eesti Erastamisagentuur (Estonian Privatization Agency "EPA") intends to sell the aforementioned enterprises by means of a tender in the following manner:

a) bids for a state owned joint stock company (organized as "RAS" under Estonian law) must be for the majority of the company;

b) bids for a state owned enterprise (organized as "RE" under Estonian law) or a small state owned enterprise (organized as "VE" under Estonian law) must be for its total operations;

c) bids for a plant must be for its total assets (e.g. buildings, household equipment and inventory), with inventory finally to be valued as of the time of acquisition;

d) bids for assets or parts of an enterprise must be for a separable unit of a RAS, RE, VE or plant, with inventory finally to be valued as of the time of acquisition.

2. The tender is public and anyone may bid. Legal entities in which the State of the Republic of Estonia or its local municipalities or a municipality or state owned enterprise own one third or more of the share capital or of the voting rights may not bid.

3. In deciding among the bids, EPA will take into consideration, among other things, the bid price, promises to maintain or create jobs, pledges to invest, and the business plan submitted, each of which will be considered part of the bid. Upon signing a contract, the successful bidder will be required to post a bond in order to guarantee these pledges.

4. Interested parties can obtain enterprise and plant profiles without charge from EPA. EPA is not responsible for the accuracy and completeness of this information. Prospective bidders will receive written authorization from EPA to visit the enter-

prises or plants on the basis of which additional information will then be provided by the enterprise or plant management.

5. Bids must be in writing and should be submitted in a sealed envelope marked only with the name of the enterprise or plant for which the bid is submitted.

6. Bids must be received at EPA, Rävala 6, EE0105 Tallinn, Estonia, no later than 2:30 p.m. (local time), on December 16, 1993 (the "closing date"). Bids will thereafter be opened immediately. Bids must be demonstrated in Estonian Kroon (EEK) or Deutsche Mark (DM), and must remain valid for one hundred and twenty (120) days after the closing date.

7. Bids must be accompanied by a bond of five (5) percent of the bid price in the form of an irrevocable bank guarantee valid for one hundred and twenty (120) days after the closing date. The bid bond must be payable on first demand and will be forfeited if the bidder either fails to hold its bid open for the required period or refuses to sign a contract in accordance with its bid.

8. EPA will decide on the bids within one hundred and twenty (120) days after the closing date. Bidders may present their bid within a period set by EPA. EPA is not bound to accept any bid. EPA may accept a bid other than the highest and may reject any of the bids at any time.

9. The tender will be carried out according to applicable Estonian law.

EPA (Estonian Privatization Agency)  
Väino Sarnet  
General Director

Dr. H. B. Schmidt  
Chief Consultant

Office hours for the EPA are Monday through Friday from 9 a.m. until 4 p.m. (local time).

For further information (enterprise profile, data on Estonia, visit authorization) please contact:



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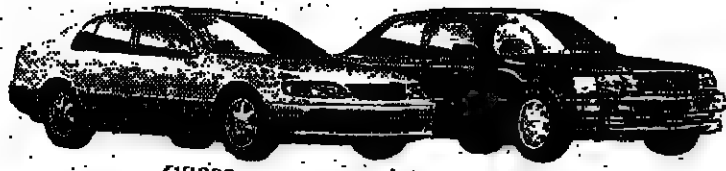
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GS300 LS400

It's quiet in a Lexus LS400. Virtually all noise has been designed out.

For instance, steel and resin 'noise sandwiches' blanket the cabin. The drivetrain is in one straight line to reduce vibration. The engine is a smooth 4.0 litre V8.

In fact, you could hear a pin drop, if it weren't for the deep pile carpet.

But what's left is a silence no ordinary

sound system could cope with. So Lexus created a system uniquely appropriate to the LS400. An ideal sound field ensures that, wherever you sit in the LS400 cabin, you hear the same rich sound quality.

At the corners of this field are seven speakers. Two dome tweeters for high sounds, four full range speakers and an eight inch subwoofer for a fuller bass sound.

The system produces 180 watts maximum power. (Well, there is a lot of silence to fill.) And, as if it isn't already

a system to make even audiophiles question their domestic listening arrangements, it can be upgraded further. With a remote six-disc CD auto-changer.

But can a car's sound system ever be a reason to buy the car?

Certainly it can if it's indicative of the unheard of lengths the maker has gone to in developing the whole car.

Unfortunately, we can think of only one car which qualifies. See your Lexus dealer for a sound check.



Lexus LS400.

# Driving a Lexus LS400 improves your hearing.



## Ringing the changes

A new plastic extrusion technology developed by Eropol, a small French engineering company, could change the life of millions of women suffering menopause symptoms.

A joint venture between Dow Corning of the US and Sweden's Kabi Pharmacia has launched an intra-vaginal ring on to the Swedish market. The UK and France could follow suit.

IVRs have long been discussed for birth control and menopausal purposes. Hormones embedded in the ring's silicone material are released in a controlled manner to ease menopause symptoms or prevent conception.

Until now, the technology has not been available to produce these cost-effectively. Eropol's solution involves an extrusion tool into which are fed, simultaneously, the hormone-doped silicone material forming the central core of the ring and the pure silicone material surrounding it.

To obtain the circular profile, with a core concentric to its surrounding silicone layer, the flow of material into the extrusion die must be carefully regulated. The silicone entering the extrusion die is split into 10 streams, through the centre of which is introduced a stream of the doped silicone. As each stream's flow can be controlled, Eropol can achieve the required quality of extrusion.

Once extruded, the string of hormone-doped silicone is cut into small lengths which are joined and become perfectly concentric because of the cut's conical form. The rings are placed into moulds with heating elements to harden the silicone.

The aim is to develop an auto-regulating mould capable of adapting to the silicone's expansion during heat treatment. It would stay open during the hardening process, with the halves kept apart under the pressure of a spring to allow the silicone to expand. The mould would then be closed and two tools inside it would perform the deburring action. That part of the process has not been mastered and the rings are finished by hand. Eropol expects to deliver the automated solution next year.

This technology could also serve to develop a contraceptive ring.

Anna Kochan

"I THINK I've got the best job in the world," enthuses Ron Rapley, research director at Standard Fireworks, Europe's biggest fireworks manufacturer.

At the Huddersfield site, perched high on a hill, Rapley and his team of chemists are responsible for devising ever more sumptuous cascades of red, green and white stars to the accompaniment of an ever more varied cacophony of whistles, crackles and bangs.

But as a recent recruit to the world of fireworks manufacture - until two years ago he was an accident investigator at the UK's Health and Safety executive - Rapley is acutely aware of the potential danger of making fireworks.

In the UK today 75m or so fireworks will be lit to commemorate the failed plot to blow up Parliament in 1805 by Guy Fawkes. Rockets, bangers, sparklers, Catherine wheels and roman candles will all rely on gunpowder, a dangerous mixture of charcoal, sulphur and potassium nitrate. From next year, a new material could begin to replace the traditional explosive.

Rapley's team is working with researchers at the Cranfield Institute of Technology to investigate ways of using resins - viscous compounds which harden in air - to replace gunpowder in some of its fireworks. The result should be a safer manufacturing process.

The investigations are arduous, not least because gunpowder is a versatile firework component. Tiny grains of gunpowder are used as the blowing charge in bangers, while larger grains - the size of a peppercorn or even a pea - burn more slowly and produce more long-lasting effects. Gunpowder can also be compressed into pellets to form rocket motors. Lit at one end the pellet takes several seconds to burn - long enough to lift the rocket high into the sky.

Because resins are organic they act as a fuel and only need the addition of an oxidising agent - such as potassium nitrate - to produce a material to rival gunpowder. The resin, which is viscous, also acts as a binder for all the other ingredients.

The first step for Standard has been to investigate ways of using the new resin in the coloured stars which shoot out of roman candles and rockets. In many industries the development of the resin would be the bulk of the work, but the stringent safety requirements of fireworks manufacturing has meant that Standard has had to carry out strict trial procedures.

The tiny stars will be extruded, with a continuous flow of the viscous material being chopped into the appropriate size, like minced meat out of a mincing machine. Standard has already conducted successful test runs using a conven-

## Safety in the works

Gunpowder, a traditional fuel for fireworks, may soon be replaced by resins, writes Della Bradshaw



Remember, remember the 5th of November, resins, treason and plot

tional extruding machine, but still needs to develop an appropriate conveyor belt system.

"We can't just put ordinary machines in," Rapley points out. "Every nook and cranny has to be considered. If there's a corner that explosives can get in to, they will."

Rapley is confident the resins will be safer than gunpowder. Not only is there less dust - less to be inhaled by employees as well as less to cause a spark - but the softer dough of the resin absorbs blows which the hard powder cannot.

Moreover resins open the way for machines which can be operated remotely. Today's fireworks are

often constructed and filled by hand and at best the machines used need operators to stand close by. In the unlikely event of an accident, says Rapley, machines operated remotely would help minimise the casualties.

With a throughput of 70m fireworks a year, involving some 100m operations between them, the safety requirements for Standard are awesome. It would take just one operation in those 100m to go wrong for the result to be potentially fatal.

The safety precautions at Standard's Huddersfield site - there are two further locations near Wakefield - are necessarily stringent. Storage buildings are well away

from the numerous small production sheds, which are grouped in twos with thick brick walls between so that if one shed blows up no other section is damaged. The electrical wiring is on the outside of the buildings to prevent sparks.

The gunpowder is stored separately under strict regulations. As none is manufactured in the UK - it has to be imported from Germany or former Yugoslavia - an expensive and difficult transportation procedure is involved.

If the new resins could replace gunpowder, Standard would need less secure storage facilities and could reduce its costs in both sourcing and transportation. "So few people make gunpowder to the quality we need - we're virtually single sourcing," explains Rapley. In addition the number of suppliers is continuing to decrease. "As each plant blows up they stop production. That's how it works."

Once the production of stars has been introduced successfully gunpowder looks set to be replaced in other fireworks. Next on the list could be fountains, for which Rapley is investigating the use of pourable resins so that the cardboard shell of the fountain could be filled with the pyrotechnic brew in the same way as toothpaste tubes are filled with toothpaste. The problem would be to ensure no gas bubbles remain in the mixture, as they would produce a bigger surface area for burning and result in chunks of the mix spitting out.

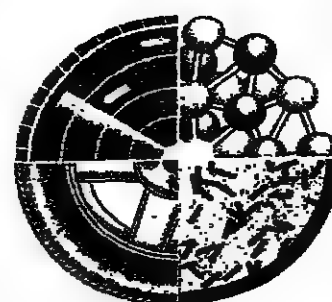
The next step could be to develop the pellet motors for rockets. "We would have a tremendous advantage if we could get into things like rocket motors," Rapley continues.

Other manufacturers could follow suit since the process is not proprietary. But it would take large volume production, says Rapley, to make it economical. For Standard, under pressure in its traditional UK market from cheaper, imported Chinese fireworks, cost reduction will be a welcome further advantage of the resin technology.

And for the consumer the result could be more stable and prettier fireworks. "I would hope we could produce now," predicts Rapley. While greens, yellow, reds and whites are relatively easy to produce by adding fragments of barium, sodium, strontium and magnesium respectively, blues and purples are notoriously difficult to produce safely. "If the process is inherently safer," says Rapley, "we could perhaps add some ingredients that we can't use now."

Nonetheless, Rapley believes the versatility of gunpowder means it will be a long time - if ever - before it is replaced entirely. Which means the festive rhyme "gunpowder, treason and plot" has still some life left in it yet.

## Worth Watching · Della Bradshaw



### Pocket guide to electronic reading

For those Japanese commuters squashed into a train carriage and unable to spread open the pages of their morning newspaper, the Japanese electronics manufacturer NEC may have the answer.

The digital book player is a pocket-sized electronic reading device with a liquid crystal screen. The player uses floppy discs as a means of loading information into the machine - initially games, quizzes, guidebooks and teaching materials.

In the future the devices could be connected to telephone lines or other computers to download up-to-date financial statistics or the daily newspaper.

Unlike the exaggerated movements needed to turn over the page of a broadsheet newspaper, the digital book player turns the page at the press of a button. NEC Japan, 63 3798 5511; UK, 071 353 4383.

### Voice gets free ride on computers

Teleworkers who need to communicate regularly with their headquarters, or small offices that need to communicate with their parent company, could cut the cost of their telephone bills with a California-developed device that enables telephone calls or fax messages to be sent down the same telephone line as a data call.

The Sprinter does this by compressing the voice call and eliminating all the silences which punctuate the conversation. A similar technique is used to compress the fax message. "They can then be sent alongside the computer-to-computer call, getting a 'free ride'."

The Sprinter can also be used on internal company networks. Each Sprinter costs \$1,520; two are needed to make a successful

call. Microm: US, 905 583 6600; UK, 0453 451980.

### Extra protection in an emergency

The makers of Gore-Tex have developed a clothing fabric for emergency services which meets stringent US requirements and gives extra protection against Aids, writes Andrew Fisher.

Called Assist, it uses a membrane engineered with a polymer-based material and also gives protection against contaminated water, pesticides and corrosive and dangerous fluids. W.J. Gore & Associates: US, 410 392 3700; UK, 0506 412525

### Terminal trip around Paris

Tourists in Paris can now get computer-aided guides to the city while they are changing their currency or travellers' cheques.

Exact Change has installed 35 interactive terminals in 10 of its Parisian exchange bureaux. Tourists can use the terminals to inquire about restaurants, car rental or theatres. Once they have decided which type of car they want to hire, for example, they print out the details and then take the print-out to the cash desk to pay.

In the future, IN-form, the London-based company which devised the terminals, plans to introduce a credit-card payment facility into the system. IN-form: UK, 071 729 1898.

### Nuclear tests for bungee jumpers

Project management techniques developed in the nuclear power industry have now been applied to that most unlikely of sports - bungee jumping.

Nigel Holloway, chief technical consultant at AEA, of Didcot, applied two safety principles used in the nuclear industry - redundancy and competence - to produce a code of practice for the bungee jumping industry. Redundancy means that any critical component in the jump should have a spare or redundant equivalent - the bungee ropes must be attached to the jumper by two separate means, for example.

Holloway is so confident of the procedures that he did a jump himself. AEA: UK, 0285 432489.

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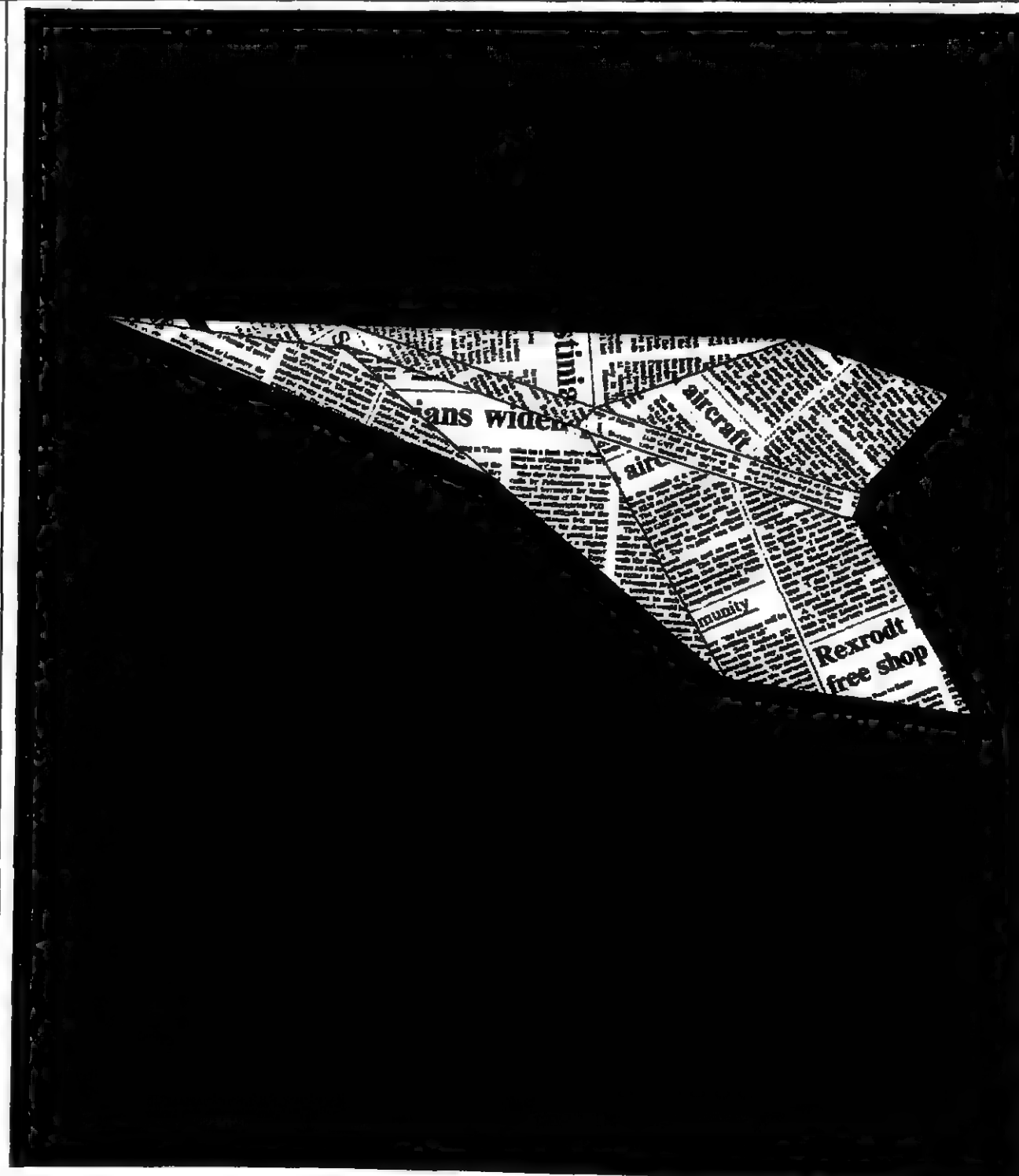


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## The FT Business Travel Survey arrives November 9.

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## PROPERTY

## Turnround at the tower

Andrew Jack on Canary Wharf's rise from administration

It began with an urgent telephone call in March last year, and rapidly escalated into one of the world's most high-profile insolvencies. Eighteen months on, Canary Wharf, a potent symbol of the late 1980s UK property boom and bust, has formally been taken out of administration by the English High Court. The way is now open for Canary Wharf's new owners - 12 banks - to fulfil the site's original, ambitious aims.

"In the words of the judge, we have now returned the keys to the management," said Mr Stephen Adamson, one of three administrators from accountants Ernst & Young. "It's all a bit of an anti-climax."

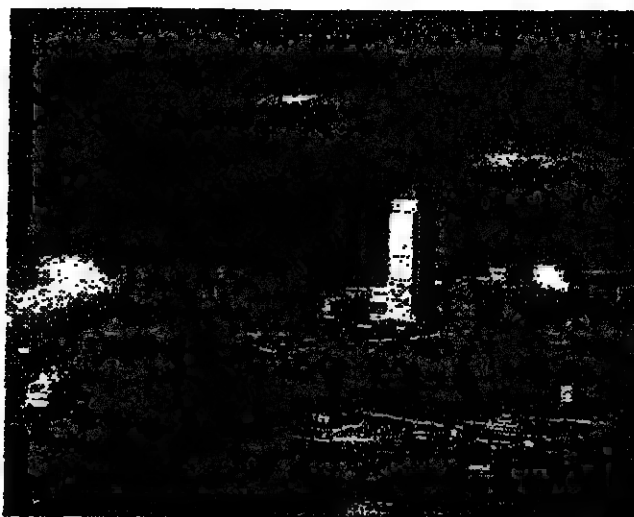
His co-administrator, Mr Nigel Hamilton, recalls responding to the first telephone call by the Wharf's lawyers. The message was clear: help was urgently needed to keep Canary Wharf solvent. "We were running about trying to put a package together," he said. "It developed into all-night sessions. Until the banks finally met, they didn't know the true position."

The position soon became clear enough to Mr Hamilton and his colleagues: no more money would be forthcoming to sustain Canary Wharf, in spite of promises of financial assistance by its parent company in Canada. Initial calculations suggested that an extra £50m would be needed to service debts, complete the development and attract more tenants through special concessions.

"Different banks had different views," he said. "There was quite a mismatch of attitudes. Finally one of the bankers said: 'This turkey won't fly.'"

That left open two options for the creditor banks: first, to appoint administrative receivers in place of the less familiar insolvency procedure of administration - which would have left existing directors in place and allowed the company to continue to trade.

The banks opted for the latter. The danger, however, with administration was that directors or creditors in the US or Canada might file for bankruptcy protection for Canary Wharf in their own countries,



To let: Canary Wharf is back in the hands of its management

triggering complex negotiations between lawyers over the different countries' insolvency laws.

To prevent such an outcome, the banks approached a judge in his flat as soon as they had decided to opt for administration and before the decision became public knowledge.

The administrators' immediate priority was to ensure that the Canary Wharf site continued to function. They had to move quickly to secure assets on the site, to speak to staff and reassure tenants. "There was a big concern that the site would not be maintained. We were anxious to ensure that the landlord's obligations were met," said Mr Alan Bloom, the third administrator.

Meeting the landlords' obligations was unlikely to be easy or cheap: Olympia & York, Canary Wharf's parent company, had provided what Mr Bloom describes as a "Rolls-Royce" service to tenants. These included the Riverbus service, which cost £900,000 during the administration alone. The banks initially agreed to put up a total of £10m between May 28 - the day the administration order

was granted - and October last year to ensure that Canary Wharf continued to operate; to date, their support has topped £50m.

"Everything was complex," said Mr Adamson. Many contracts had to be renegotiated and administrators had to pore over the complexities of 50 companies within the Canary Wharf group, set up to exploit tax allowances.

At the same time, the administrators had to deal with about 1,400 creditors. English insolvency law only allows five creditors' representatives on a committee to scrutinise the work of administrators. But on this occasion, the Ernst & Young team allowed many more creditors to attend to maintain goodwill.

In addition, negotiations were continuing with the government on the vexed issue of the Jubilee line extension, linking Docklands with central London. The line, which had long been viewed as essential to the viability of Canary Wharf, was finally given the go-ahead last week.

Ernst & Young's aim in the first few months of the administration order was to find a buyer for Canary Wharf. Mr

Adamson recalls one call in particular. "We were offered £1m to knock the tower down so that 'His Highness' could land his jet at London City airport. We never found out who His Highness was."

More serious offers came from Hanson, the UK conglomerate, and from a North American consortium backed by the Reichmann brothers, Canary Wharf's developers. Eight potential investors were eventually given information under confidentiality agreements and three went on to conduct further legal inquiries.

In the event, no offer received by the administrators was considered a realistic commercial price. The administrators finally realised last Christmas that the banks would have to retain long-term ownership of Canary Wharf.

The last few months of the administration "were like six-dimensional chess", said Mr Adamson.

It was this complexity, and the delicacy of the negotiations with senior government officials, which Mr Adamson believes justify the administrators' fees of about £7m and a further £5m-£7m in related legal fees.

What finally emerged was a series of options - one plan to mothball Canary Wharf as codenamed Sleeping Beauty. The plan eventually put forward for creditors' approval - called a more mundane 1B - contained three elements: approval for the Jubilee line extension; the Department of Environment declining to move to Docklands in spite of initial interest in doing so; and a concerted bid to let the remainder of the building.

To win support from the unsecured creditors for a voluntary arrangement to leave administration the banks agreed to offer £27m to creditors - up to 15p in the pound, with a further 25p for those contractors willing to provide warranties on work already carried out on site.

Given the choice of something or nothing, the voluntary arrangement was overwhelmingly approved by creditors in September. Just two creditors - owed £53,000 out of a total of £266.3m - voted against.

In spite of the successful restructuring of Canary Wharf's debts, the task now facing the directors under the new chairman, Sir Peter Levine, remains immense: to fulfil Canary Wharf's original aim of becoming London's premier office location.

## PEOPLE

## Turning a new page at Pentos



Bill McGrath (right), currently deputy chairman of Wickes, the DIY and timber retailer, is to be the next chief executive at Pentos, Britain's second largest bookseller. Five weeks ago it announced its first ever losses and passed its interim dividend.

McGrath, a self-made businessman with a reputation for being "tough but fair", will succeed the outspoken Terry Maher, who was

responsible for building Pentos into an important retailing force encompassing Dillons and Hatchards bookshops, the Ryman stationery and office equipment supplier and Athena posters. He formally retired as chairman and chief executive yesterday making way for Sir Kit McMahon, former Midland Bank chairman, to take over as chairman.

Sir Kit, who became deputy

chairman at the end of September, will provide continuity between the outgoing and incoming chief executives but is eventually expected to make way for a new non-executive chairman.

McGrath, 53, began his working life as a trainee catering officer with Cunard Steamship Company in 1956, becoming

deputy chief hotel officer before leaving Cunard in 1963. He is reported to have become a wine expert while working for Asda, initially as buying controller for wines and spirits, and joined Comet as managing director of its Timberland subsidiary in the early 1980s. Between 1985 and 1987 he was chief executive of Builders Mate, a company he founded and eventually sold to Wickes.

At Wickes he was appointed chief executive of Wickes Building Supplies, the UK-based retail chain, and assumed responsibility for Wickes Continental and Malden Timber in 1991. Last year he became group managing director and was promoted to his current post last month; he is expected to take up the new one by the beginning of January. (See Observer)

## Finance moves

George Cracknell has become executive vice-chairman of First National Finance Corporation, the consumer credit group, following the retirement as chief executive of Tom Wrigley.

Martin Mays-Smith, the chairman, explains that the group's structure has been changed in order to give the management of the two operating subsidiaries, FNB, the consumer finance subsidiary, and FNFB, the commercial lending bank, more room to run their own businesses.

In July, FNFB, which had earlier in the year found itself in breach of banking covenants, narrowly avoided collapse by securing a refinancing deal for its £1.1bn debt owed to 107 international banks.

Wrigley had been discussing his retirement for some time, but wanted to stay until the re-financing deal had been agreed; the announcement coincided with the group's financial year end on 31 October.

The change of structure exactly suits Cracknell, who had been a non-executive director of the group since February, and expects his new post to take up three to four days a week. Now aged 60, he retired in June from Barclays, where he had been deputy managing director in the banking division, and did not want to take on another "six day a week" job.

He was recommended to Mays-Smith as a non-executive director at the end of last year by Sir John Quinlan, the former chairman of Barclays bank. The two organisations go back some way together; Barclays was involved in the rescue of FNFB in the mid-1970s, and Cracknell became a non-executive in succession to Rufus Viner, a former vice chairman of Barclays Bank UK, who had been a FNFB director for 11 years.

"He is only quite recently out of the frontline, so he knows his way around," Mays-Smith says of Cracknell. "He has a very good reputation, and as up-to-date knowledge of all the banks too, which is quite useful in our current predicament."

Charles Williams-Cox has been appointed a senior vice-president and head of fixed income sales and trading in Europe based in London of OPPENHEIMER & Co.

VICKERS, the UK engineering group, is reorganising its top management to prepare for the retirement next year of Gerald Boxall, currently chairman and chief executive of Vickers Defence Systems.

Vickers, which has interests ranging from Challenger tanks to Rolls-Royce cars, and incubators, is expanding the roles of two of its other directors, Roger Head and Peter Ward.

With effect from December 1,

Head, currently finance director, will become managing director, finance and planning, adding the function of corporate development to his present responsibilities.

Ward, currently chairman and chief executive of Rolls-Royce Motor Cars, will become managing director, operations. He will remain responsible for Rolls-Royce Motor Cars but is also taking on the newly-established tur-

bine technology and propulsion division as well as Vickers Pressings.

The new division will incorporate the aerospace components operations and the core marine engineering activities of Kalmewa, Stone Vickers and Mitchell Bearings. As a result of the reorganisation John Crook, previously chairman and chief executive of the marine engineering division, has left the company.

## Sell to encourage French leave

Heading Britain's tourist organisations is not everyone's idea of fun. Tourism has not traditionally been a UK government priority. State funding for tourism is constantly under threat.

Adele Bliss, a former PR consultant, agreed to become chairman of the British Tourist Authority last May. This week she announced that Anthony Sell is to be its chief executive.

Sell, 50, joins the BTA from Paris, where he has been managing director of the continental European operations of Thomas Cook, the travel and financial services group.

Sell comes to the job with no illusions. He does not expect the government to become substantially more generous in funding the authority. However, he had discussions with officials before deciding to take up the job; he does think they value the authority's work.



All the same, it took him five months to make up his mind to accept the post, which has been vacant since April. His predecessor, Michael Medlicott, left to join Delta Air Lines.

German, Italian and Serbo-Croat. He also reads Spanish. Before joining Thomas Cook, he was a director of Bossey & Hawkes, the instrument-maker and musical publisher, where his responsibilities included a French clarinet factory and four European music festivals.

Sell says his principal task will be to convey the variety of Britain's tourist offerings to potential visitors. He has been struck during his time in Paris by the number of French visitors to the UK who have told him they had no idea how beautiful the Lake District was or how much there was to do outside London.

Some have complained to him that they had to drive on the left. Although that is unlikely to change to accommodate French tourists, he says more must be done to help non-English speaking visitors find their way around.

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## CONTRACTS &amp; TENDERS

## PREQUALIFICATION OF CONSULTING FIRMS FOR THE DESIGN OF THE PLAN FOR ENVIRONMENTAL PLANNING AND MONITORING AND MANAGEMENT OF THE MATANZA-RIACHUELO RIVER BASIN

The Natural Resources and Human Environment Secretariat (SRNAH) of the Argentine Republic invites firms and consortia of consulting firms at an international level that are willing to provide their services for the execution of the design of the Plan for environmental planning and monitoring and management of the Matanza-Riachuelo river basin, would be financed through the Multisectorial Preinvestment Program (IDB Loan 740/OC-AN), to provide the documents required in the Prequalification Application which may be bought at a cost of US\$1,000 at the SRNAH headquarters, San Martin 459, 5th floor, telephone: (541) 325 7920, fax: (541) 394 6643, Buenos Aires, Argentina.

The firms must have an extensive experience in the environmental and river basin management fields, knowledge of the Argentine Republic, and updated registration in the DACON registry at the IDB.

The firms will have to provide an estimate of 150 months/expert (international and national), with specialisation, among others, in the following areas: sanitation engineering, environmental impact evaluation, hydraulics and hydrology, environmental and institutional law, economics, geography, urban planning, soil use and conservation, hydrogeology, chemical analysis, computerized models, etc.

The consulting firms must have residence in the IDB member countries; must have staff with the required qualifications, and show interest in providing services mentioned above. Such interested firms are invited to submit the information required in the Application, concerning professional background; general prior experience and experience in the execution of similar studies; and legal and financial aspects.

The criteria, procedures and conditions for the prequalification of firms are indicated in the Application.

The required documents will have to be submitted in person before 6 pm on December 6, 1993 at the headquarters of the SRNAH, San Martin 459, 5 piso, Buenos Aires, Argentina.

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# The spirit of Russian worship

Patricia Morison is intrigued by the icons from St Petersburg at the V&A

**G**ates of Mystery: The Art of Holy Russia at the Victoria and Albert Museum is the most revelatory exhibition to be seen in London this year. Not for 80 years has Russia lent such a collection of sacred art. Paintings, engravings, sculptures, carvings and liturgical objects all come from the vast collection of the Russian Museum created in St Petersburg a century ago by Tsar Alexander II.

At a glance, one sees that Russian sacred art owes its essential character to Byzantium, which is to say the eastern Roman Empire. *Gates of Mystery* confronts us with an art familiar to the extent that it recognises figures like the Virgin Mary, St George and the dragon, or St Nicholas, although not one particularly delightful scene of his encounter with a carpenter. But the function of icons and, to a large extent their form too, is alien to Europeans with roots in a faith dominated by the Word rather than the image.

Worship of the image (known in Greek) developed out of the Roman official cult of the emperor's portrait. During the persecution waged by six iconoclast emperors, monks and nuns died in defense of the icons which permeated Byzantine society. In 787 at the Council of Nicaea, the iconoclast party won, but the news was badly received in the west whose churchmen had long

taken a dim view of "idolatrous" Greeks. In 794, the decisive moment came when Frankish bishops at Frankfurt condemned icons as non-Christian. Relics were to be venerated, images were not.

Two centuries later, icons became central to Russian life when Prince Vladimir of Kiev abandoned the paganism of his Viking forebears. His problem was to decide whether the Rus should become Catholic or Orthodox, Jews like the Khazars, or even Moslems like the Bulgars. Every Russian knows the story of how St Vladimir sent out envoys to discover which religion offered most. Rome was easily outshone by the wealth and beauty of Byzantium. Constantinople's churches, particularly Hagia Sophia, impressed the envoys as indescribably grand. God, they assured Vladimir, must certainly dwell there.

Drink enriched the matter. I quote the catalogue, which is a remarkably well-written and interesting (225) and has sold like hot cakes. "The Moslems' alleged idea of heaven which offered unlimited fornication was alluring for a man of Vladimir's alleged habits, but was more than canceled by their ban on alcohol. 'Drinking' said Vladimir, 'is the joy of the Rus. We cannot live without it.'"

It is fascinating to consider the consequences if Vladimir had not thought that the Rus should mix spirits and spirituality. As it was, the Russians

were baptised into the Orthodox faith. Russian religious culture became almost inseparable from that of Byzantium, with the difference that Russians worshipped in Slavonic and knew nothing of Homer or Virgil.

The catalogue points out that attitudes to Old Russian art have changed since Soviet times. When emphasizing the debt to Byzantium was frowned on. The 11th-century Chernigov gold pendant shows

*It is fascinating to consider the consequences if St Vladimir had not thought that the Rus should mix spirits and spirituality*

the Greek influence in an unexpected way. On one side stands the warrior figure of St Michael, beloved of Byzantine emperors. The reverse shows a creature who is half woman, half snake and appears on late Roman amulets as a protectress of women in childbirth. Inscriptions in both Greek and Slavonic show that she had been adopted by the then rather dubiously Christian ladies of Kiev.

Apart from the Chernigov amulet, everything in the show dates from after the Mongolian invasions when a distinctly Russian style had developed.

Choral music plays and lights flicker in an attempt to create the right mood for an art which is liturgical, focussed on the worship of God and his saints through their miraculous images.

So intriguing is the theology of icons that you may want to go beyond the catalogue, in which case I recommend Jaroslav Pelikan's *Image Dei* (Yale, 1959). Christians should worship icons but reserve the highest form of worship for God. "The icon is a reminder," taught St John of Damascus, the great apologist of iconoclasm. It is a reminder of the miracle of the Incarnation when the godhead put on mere flesh and blood. The artist miraculously transforms matter to represent forms through which shine the divine light: windows onto eternity.

With its chalice in silver and wood, the exhibition draws attention to the centrality of the eucharist. Particularly evocative are the Royal Doors from a 16th-century icon-screen, or iconostasis, which divided the congregation from the mysteries beyond. They opened when the priest brought in the eucharist which had miraculously become the body and blood of Christ, a reminder of Christ the King's entry into Jerusalem and a promise of his eventual return. When the doors were shut, graceful icons of the evangelists, and a priestly Christ celebrating the

eucharist, reminded worshippers of the mystery within.

Such a rich symbolism is typical of these icons, and nowhere more so than in a particularly lovely Trinity from Novgorod. Beneath the oak of Mamre, the three angels are served dinner by Abraham, Sarah, and their tiny servant boy. Angels and humans are linked in a circle, in whose centre stands a chalice holding the minute head of a calf. Vermilion and gold predominate, the colours of sacrifice and love.

Admittedly, the immaterialist vision of the artists of 15th-century Novgorod or Kiev makes contemporary Bruges or Florence feel terribly far away. These monks cared nothing for the seductions of the natural world - nothing for a landscape seen through a window or for the shadow cast by a string of pearls. This oak of Mamre never rustled in the wind. To anyone wedded to a sensual western aesthetic, icons may for ever seem strange rather than beautiful. Nonetheless, *Gates of Mystery* opens our eyes to a belief in the miraculous power of art lost 12 centuries ago at Frankfurt.

Sponsors, B.A.T. Industries plc, the De Beers Centenary AG, Marc Rich & Co AG. Exhibition runs at the V&A, South Kensington, until January 8 (071-438-6361).



A lovely mid-16th century Trinity from Novgorod

## Theatre Chasing Moby Dick

**T**he history of trying to turn novels into plays is not a happy one. Off-hand I can think of only a few successful examples. Two of them are from novels by Henry James. A third is *Nicholas Nickleby*.

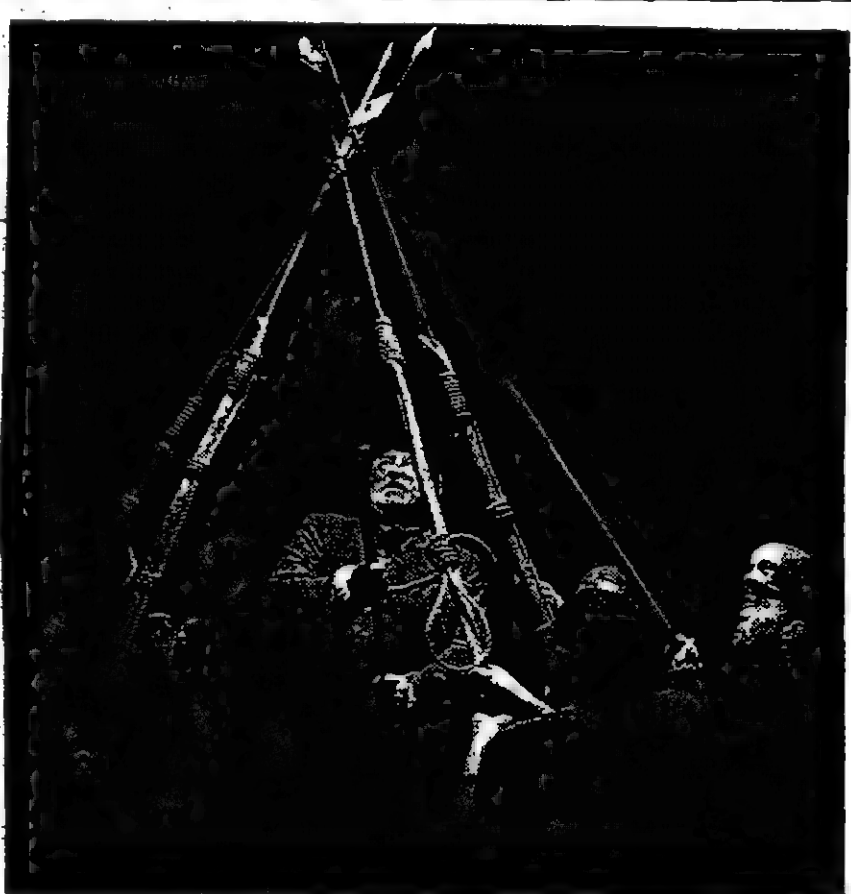
So anyone who approaches the dramatisation of *Moby Dick* should do so with caution. True, it might make an opera. It is, after all, by the same author - Herman Melville - who nearly 40 years later wrote *Billy Budd*, which was picked up by Benjamin Britten. And it seems only yesterday that Cameron Mackintosh sought to turn *Moby Dick* into an eccentric musical.

The problem is not only that a large part of the book is an encyclopaedia of whaling and all that goes with it. It is also that the novel is full of symbolism. Captain Ahab may be chasing a whale; but at the same time he is having a battle royal with himself about his motivation. The book also contains a good deal about 19th century capitalism and notions of democracy. Since the symbolism exists on several levels, it is quite hard to translate it to the stage.

The Royal Shakespeare Company, playing at its small theatre in Stratford, The Other Place, has gone for the physical approach, so much so that the opening had to be postponed for a week because the leading actor, David Calder as Ahab, strained his back in rehearsal.

The production, directed by Gerry Mulgrew, is stunning to watch. Storms, masts, swiveling from the ropes are all there, even at one stage the distinct impression of a harpoon being thrown directly into the audience. Set design is by Karen Tennant and, in the way of using every available device, no-one could ask for more.

But is it a play? Here there must be doubts. You may say that it does not matter much that we learn very little about whaling, though information has always seemed to me a fascinating part of the book. More important is the lack of char-



David Calder (Captain Ahab) and company

acterisation. One of the most interesting figures in the book is Queequeg. In this production, apart from one scene where he climbs out of a coffin, he is just another member of the crew.

Calder's Ahab, played with a fine impression of a white-socked wooden leg, looks as if he is capable of being a commanding presence, but in practice seldom is. There is never much expectation that he has any chance of overcoming the whale. The staging is stacked against him.

Part of the fault lies in the dialogue adapted by the (in this case) slightly unfortunately named Rod Woodin. Melville relied heavily on the novelist's pow-

ers of description and narrative. A good play depends on spoken drama. Here, too much of it is flat. The actions speak louder than the words, which may be a good motto for a general or even a politician, but is an odd basis for a theatrical production.

There is an awful lot of action about in our big theatres at present. See, for example, the Royal National Theatre's production of *Macbeth*, which suffers from the same faults as the RSC's *Moby Dick*.

The production of financially supported by JBA Ltd.

Malcolm Rutherford

## Sofia Phil faces the future

Roderic Dunnett talks to the orchestra's conductor Emil Tabakov

**B**ulgaria's leading orchestra, the Sofia Philharmonic, is currently visiting England playing Berlioz, Debussy, Ravel and Mahler at a series of larger provincial venues, climaxing next week with an appearance at Birmingham's Symphony Hall.

Under communism, classical music flourished. Sofia's state-salaried opera (Boris Christoff was one of its more famous alumni) thrived under a series of conductors, including Emil Tabakov, who made famous recordings of Mussorgsky shortly before his tragic death two years ago at the age of 43.

The 120-strong Philharmonic regularly plays to capacity audiences at its home base, the 1920s-built Sofia Hall, which boasts one of the best acoustics in Bulgaria. But while politically this may be an auspicious time, financing an orchestra in the former Eastern Europe following Communism's demise is no simple matter.

Emil Tabakov, the Philharmonic's Chief Artistic Director and Principal Conductor since 1988, makes no bones about it: "Cultural life was better under communism," he says, "simply because there was an adequate budget. The state made good provision. Our dilemma now is that in the present rush to make money nobody cares sufficiently about culture. The support - both moral and financial - has withered."

The present extended UK tour was set up by London-based firm IMG Artists, liaising with the former Bulgarian State Concert Agency administrator, Nelly Lalova, who has launched her own fledgling private agency. IMG meets all the bills; orchestra and conductor receive expenses and a guaranteed fee.

"Orchestral salaries are still paid by the government, but they're very low - not enough with inflation (up to 100 per cent recently on some basic commodities). Despite a recent salary rise, players' basic pay is still only around 2,500 or L2,000 (£70) a month. So recording and tours are

crucial to supplement players' incomes." Discussions under way with the best-selling Sheffield-based record company, Naxos, could prove a boon.

The long term answer may lie in commercial sponsorship from the newly-burgeoning private sector in Bulgaria. "Everywhere in the west we see commercial sponsorship as the norm," says Tabakov. "But we lack this experience of how to go about getting sponsors. We need time to accustomise. Our law still isn't geared up to

*Politically this may be an auspicious time, but financing an orchestra in former Eastern Europe after communism is no simple matter*

independent sponsorship of the arts: the relevant bill has yet to be voted through parliament.

"Many people in Bulgaria - new private industry, some of the professions, the banks - sense the value of promoting themselves via the arts. But they will hold back till they can see the tax advantages. We urgently need this legislation: when it comes, it will be good for musicians and good for everyone."

Son of a Bulgarian lawyer, Tabakov studied double-bass in northern Bulgaria and took up the baton at 18. While a student he conducted his local symphony orchestra at Ruse, moving on to the Sofia Chamber Soloists. He graduated to the Philharmonic in 1985, becoming its musical director soon after. As a young string player, he encountered many of the outstanding conductors from both east and west. Watching and listening, he insists, remain as important as any part of a young conductor's training.

There are other problems. Some 60 players - virtually half the orchestra -

have moved in the past three years, many to seek better-paid work abroad. "Just about every German orchestra has at least two Bulgarian players; likewise Italy, France and Spain. We have good youngsters emerging from the music academies, but they lack experience. Low salaries prevent us attracting Western orchestral players, any more than we can afford top soloists or conductors."

Is he pessimistic? "I'm naturally pessimistic, but we have to work at the problem and solve it. The sponsorship possibilities now look good. Once the law is agreed, I think we have a lot to offer. Our subscription concerts and the Sofia Music Weeks in May and June are all high profile events which attract a large proportion of Bulgaria's professional people. We can not only promote a sponsor's name at home, splashing it all over Sofia Hall and around the city, but on our foreign tours - to the UK, Germany, the US and Japan. That gives me some optimism for the future."

Is he not tempted abroad himself? "Well, yes, I am. I have regular commitments, not just in Europe but the Far East, South America and the US. But I try to make the Philharmonic my number one priority, and give it all the attention it needs. The first task is to keep the orchestra together, and its standards high. The key thing is that musical life in Bulgaria is not dead. These are difficult days, but we carry on doing our best. Each problem calls for a different solution. But we will manage to resolve them. Musicians are resilient people, you know."

The Sofia Philharmonic Orchestra performs at Birmingham's Symphony Hall on Monday, November 8 and goes on tour until November 12. Contacts: IMG Artists, 081-747-9977; N. Lalova Management, Udo 10/2, 1463 Sofia. Tel 010-359-2-235577.

## INTERNATIONAL ARTS GUIDE

### ITALIAN OPERA

For Italians, the only true form of opera is Italian opera. Italy is where opera was born, where voice and theatre have always been synonymous. So it is hardly surprising that Italian cities continue to devote their seasons to their native repertoire.

For the 1993-94 season, which gets under way over the next month, most theatres have a token German or French opera in a stagione of seven or eight; Milan sticks its neck out with three non-Italian works. Nowhere else will you hear such a wide range of 19th century Italian operas - and no other atmosphere of excitement before the curtain rises on a well-loved work. You don't have to be a connoisseur in Italy to be a judge of voices; opera has always been part of popular culture.

La Scala opens on December 7 with Spontini's rarely-staged *La Vestale*, conducted by Riccardo Muti and staged by

Liliana Cavani, with a cast led by Maria Dragoni. Muti also conducts *Don Pasquale* (March 29) and *Rigoletto* (May 14). Puccini is represented by *La Rondine* (Feb 16) and *Rosini* by *Maometto II* (March 8). The three non-Italian works are *The Fiery Angel* (Jan 14), *Elektra* conducted by Giuseppe Sinopoli (May 28) and *Entführung* conducted by Wolfgang Sawallisch (June 27).

Rossini, Donizetti, Bellini, Verdi and Puccini dominate the season everywhere else. Turin opens next week with Bellini's *I Capuleti e i Montecchi*. Bologna later in the month with Puccini's *Tristano*, followed by Naples and Venice with Rossini's *Mosè in Egitto*.

Among the more exotic offerings are Janacek's *The Makropoulos Case* in Turin and Bologna (sung in Italian with Raina Kabaivanska as Emilia Marty), Busoni's *Turandot* in Venice and both versions of *Il barbiere di Siviglia* - by Paisiello and Rossini - in Florence.

### EXHIBITIONS GUIDE

**AMSTERDAM**  
Rijksmuseum The Otters Atlas: 80 maps and other topographical and historical prints. Ends Jan 17. Closed Mon.  
A rare 1611 profile of Amsterdam and a splendid coloured copy of De Voo's famous 1694 map of Rotterdam. Ends Jan 30. Closed Mon.  
Van Gogh Museum Philippe Rousseau and Louis Welden Hawkins: neither Rousseau's still-lives nor Hawkins' symbolist

and decorative paintings are the work of a master, but they recall the striking role these 18th century French artists played in their own milieu. Ends Nov 14. Daily

**BARCELONA**  
Museu Picasso Picasso and the Bulls. Ends Jan 9. Closed Mon (Carrer Montcada 15-19)

**BASLE**  
Museum für Gegenwartskunst Joseph Beuys: four illustrated sketch-books from Projekt Westman 1958. Ends Jan 9. Closed Mon.  
Kunsthalle Andy Warhol Abstract: six late picture series. Ends Nov 14. Closed Mon

**BIELEFELD**  
Kunsthalle Picasso's Late Work 1966-72: paintings and drawings from worldwide collections. Ends Jan 30. Closed Mon

**BRUSSELS**  
Musée d'histoire From Giorgione to Tiepolo. Ends Dec 12. Closed Mon (71 rue Jean Van Volsem, tel 511 9084)  
Peintures des Beaux-Arts Jimmie Durham (b1940): paintings and sculptures by the controversial American Indian artist. Ends Nov 14. Closed Mon

**CHICAGO**  
Art Institute Max Ernst: 180 paintings, collages, prints, drawings and photomontages, plus documents relating to Ernst and the Dada movement. Ends Nov 30. Daily

**COLOGNE**  
Josef-Haubrich-Kunsthalle From Malevich to Kabbalah: the Ludwig collection of 20th century Russian avant-garde art. Ends Jan 2. Daily

**DUSSELDORF**  
Kunsthalle Vladimir Tatlin (1895-1956): first comprehensive exhibition in the West devoted to a leading member of the early 20th century Russian avant-garde, including abstract and realistic paintings, stage designs, costumes and furniture, mostly on loan from major Russian museums. Ends Nov 21. Closed Mon

**HAMM**  
Gustav-Lübcke-Museum Secret Treasures of Egypt's Tombs: this newly-opened museum brings together North-Rhine-Westphalia's rich public collection of ancient Egyptian artefacts, which are being exhibited for the first time for many years, alongside the museum's growing collection of 20th century art. Ends Feb 27. Closed Mon

**LONDON**  
Accademia Italiana Renaissance Florence: The Age of Lorenzo the Magnificent 1449-92. Ends Jan 23. Daily

**PARIS**  
Tate Gallery Ben Nicholson: centenary overview of the career of the British abstract painter. Ends Jan 9. Daily

**ROYAL ACADEMY OF ARTS**  
Great Master Drawings from the Getty Museum. Ends Jan 23. American Art in the 20th Century. Ends Dec 12. Daily

**WHITECHAPEL ART GALLERY**  
Lucian Freud: paintings, drawings and etchings since 1980. Ends Nov 21. Closed Mon

**BRITISH MUSEUM**  
Drawings from Chatsworth. Ends Jan 9. Daily

**MARLBOROUGH FINE ARTS**  
Bacon: small portrait studies. Ends Dec 3.

**HAYWARD GALLERY**  
Alphonse Mucha: retrospective of the Czech Art Nouveau artist. Ends Dec 12. Roger Hilton: 100 works by one of the most vital British painters of the postwar period. Ends Feb 6. Daily

**NATIONAL PORTRAIT GALLERY**  
Thomas Eakins: retrospective of the 19th century American portraitist. Ends Jan 23. Daily

**NATIONAL GALLERY**  
The Wilton Diptych. Ends Dec 12. Ken Kiff: a sampling of the work of the Gallery's second associate artist. Ends Jan 9. Daily

**MUNICH**  
Stadtmuseum Building for National Socialism: a revaluation of buildings created in Germany between 1933 and 1945, a period which has been regarded until recently as architecturally worthless. Ends Jan 9. Closed Mon

**VILLA STUCK**  
Max Beckmann: 190 prints, woodcuts and lithographs 1901-46 from private German collections. Ends Nov 14. Closed Mon

**NEW YORK**  
Museum of Modern Art Joan Miro: 400 paintings, drawings, sculptures, ceramics, prints and illustrated books by the Catalan master. Ends Jan 11. Robert Rym: 80 works. Ends Jan 4. Closed Wed

**MUSEUM OF MODERN ART**  
The Annenberg Collection. Ends mid-Dec. Master Drawings of the Hudson River School. Ends Dec 26. Closed Mon

**GUGGENHEIM MUSEUM**  
Roy

**PARIS**  
Musée d'Orsay From Gézanne to Matisse: Masterworks from the Barnes Foundation. Ends Jan 2. Closed Mon, late opening Thurs (reservations: 4410 7300 or at Fnac shops)

**MUSEE DES ARTS DÉCORATIFS**  
Fabergé: exquisite goldsmiths' work produced in Russia by the firm of Carl Fabergé from the 1870s to 1918. Ends Jan 2.

**GRAND PALAIS**  
Les Nabis. Ends Jan 3. Closed Tues, late opening Wed

**PETIT PALAIS**  
Masterworks from Leipzig. Ends Dec 5. Closed Mon

**MUSEE D'ART MODERNE**  
de la Ville de Paris Gerhard Richter: 100 paintings by one of Germany's leading contemporary artists. Ends Nov 21. Closed Mon, late opening Wed (11 ave du Président Wilson)

**ROME**  
Palazzo Ruspoli Mino Maccari (1898-1989): an entertaining retrospective of one of the more eccentric Italian artists. Ends Nov 28. Daily

**WASHINGTON**  
National Gallery of Art The Age of the Baroque in Portugal: 120 objects celebrating the artistic achievements and patronage of 18th century Portugal, including an elaborately gilded two-tonne coach created for an ambassadorial procession in Rome in 1716 and a 66-foot hand-painted frieze of the Lisbon skyline. Ends Feb 6. John James Audubon: 90 watercolours for his print series Birds of America. Ends Jan 2.

**CECILIEN GALLERY**  
Giambologna's marble masterpiece (c1589) is the centrepiece of an exhibition focusing on the female nude. Ends Jan 17. Daily

**MUSEUM WILHELM DE KÖNIG**  
Ends Jan 9. Daily

**WATERS ART GALLERY**  
Sacred Art of Ethiopia. Ends Jan 9. Closed Mon

**NATIONAL MUSEUM OF AMERICAN ART**  
Pueblo Indian Watercolours. Ends Nov 29. Daily

**TEXTILE MUSEUM**  
A Textile Journey in Japan. Ends Feb 27. Daily



Just one month ago, parliamentary rebels were storming Moscow's main television tower. Mr Yegor Yakovlev, a 63-year-old newspaper editor and former television chief, says the media are now fighting a new battle, this time for freedom of speech - with the country's first democratically elected president on the other side of the barricades.

The first salvo in that battle came from Mr Vladimir Shumeiko, President Boris Yeltsin's new information minister, who announced recently that the media's task was to help develop a "new democratic ideology" for society. In future, he said, subsidies designed to help all media, most of which are state-owned, switch to a market system would go only to those that helped construct this ideology.

"I used to measure my freedom by the degree of criticism I could level at the authorities," says Mr Yakovlev, who, as editor of Moscow News, helped roll back the frontiers of communist censorship under President Mikhail Gorbachev's glasnost policy. "But when the democrats defeated the communists with the August 1991 coup, we found ourselves tied to the regime."

In the latest struggle, between Mr Yeltsin and his parliamentary adversaries, many editors chose to back the president and his radical reform programme. The defeat of the communist hardliners ironically cleared the way for presidential supporters like Mr Shumeiko to revert to a communist conception of the media as a tool for "shaping social consciousness". In particular, Mr Yeltsin's supporters want to use the media to help Russia's Choice, the electoral bloc set up by leading reformers in the cabinet, win a majority in the December 12 parliamentary elections.

Promising free and fair elections, Mr Yeltsin has invited foreign observers to monitor the polls. The electoral law promises "equal airtime" to all participants. Mr Yeltsin has also set up a special "arbitration court" to "protect mass media against unlawful interference in their activities during the electoral campaign and unhindered propaganda for or against candidates".

Even if each party is given equal amount of time for political broadcasts, the real test of fairness will be in the balance of day-to-day news coverage and the amount of debate shown among candidates.

Newspapers - including the

## Powers of persuasion

Leyla Boulton on the fight for freedom of speech in Russia



Start press: the pro-communist Pravda is being published again

pro-communist Pravda, which reopened this week after being closed in the wake of the uprising - are also lining up to campaign for alternative political groups. Rabochaya Tribuna, funded by Mr Arkady Volsky's Union of Industrialists and Entrepreneurs, is backing his centrist Civic Union alliance. But the newspaper's influence remains negligible compared with that of television.

This is mainly because television in Russia, the biggest country in the world, covers huge expanses of territory that candidates cannot hope to cover, and because of a strong perception among Russians that what appears on television must be true.

"Of course we believe what we see on television, out of habit, all the more so because the people now in charge are supposed to be democrats, not communists," says Olga, a Moscow cook. "But sometimes you feel that things are not quite right. I try to watch all the news programmes and look out for differences between them to form my opinion."

Mr Yakovlev, who was chief of the Ostankino television station, one of the two nationwide

state-owned channels, until he was sacked last winter by Mr Yeltsin for trying to stay neutral over the struggle with parliament, claims he is again working for a "one-party system". Its election coverage has been dominated by stories about Russia's Choice, with only a few references to what other parties are saying.

The government's increasingly strong-arm tactics towards the media also underline the vulnerable economics of an industry dependent on state subsidies. Russian Television, the other main state network, for instance, receives Rb530bn (\$25,000) a year; its advertising revenues total just Rb5400m.

Emerging independent companies, such as the New Television Company established by Mr Vladimir Gussinsky, a banking and construction magnate, are not immune to government pressure. NTV employees say that the state-owned St Petersburg television channel is being urged to break off its contract to broadcast NTV programmes, which are seen as too independent.

Its weekly news digest recently aired interviews with

the leaders of anti-government parties, ranging from the pro-reform bloc of Mr Grigory Yavlinsky, the economist, to the Civic Union. It also appealed for a public voice for the supporters of the dissolved parliament. This, however, was followed by a complimentary report on Mr Yeltsin's trip to the town of Yaroslavl the day before. The programme ended with the "sensational news" that Mr Russian Khasbulatov, former parliamentary speaker and co-leader of parliament's revolt, had, according to an Arab newspaper, received millions of dollars in secret subsidies from Iraq.

Attempts to use the media for the government's own ends pose two immediate risks for Mr Yeltsin.

One is that he risks alienating supporters of economic and political reforms. The second is that it could drive underground the views of a sizeable minority - 10-20 per cent of the population - who supported the parliamentary rebels. When the rebels stormed Ostankino television station on October 3, it was because Mr Alexander Rutskoi, the former vice-president now in jail for ordering the attack, said they needed airtime to help them seize power. But there was also anger among the hardliners against what they saw as biased coverage.

Now that that struggle is over, and there is no parliament to hold the government to account, balanced coverage has become imperative in the transition to a new parliament. As Mr Anatoly Sobchak, the liberal mayor of St Petersburg, put it: "In conditions of presidential rule, it is more essential than ever to create as democratic an atmosphere as possible."

But old habits are unlikely to be quickly broken. Indicative of the leadership's criticism about the media was the response of Mr Victor Geraschenko, the central bank governor, who was accountable to the former parliament, to an Izvestia report that he had transferred Rb500m to the Russian parliament the day after Mr Yeltsin suspended it. "Yes, that's so," he reportedly told Mr Igor Golembiovsky, the newspaper's editor. "But why did you have to write about it?"

While it remains uncertain how democratic the new Russian parliament will be, the media remains the only source of healthy criticism of the government. If Mr Yeltsin denies such expression, it will indicate that his rule is becoming irreversibly intolerant.

Joe Rogaly

## Tough talk is not enough



Prison works, says the home secretary. Does it? Consider the 47,000 convicted offenders he keeps behind bars. Many are in jail for a very long time.

This characterisation is not mine. I have lifted it, word for word, from the speech delivered by Mr Michael Howard to the prison service on Wednesday. We can agree on the dangerous and violent convicts he accommodates at an average cost to taxpayers of some £22,000 a year, each. You will get no liberal whining about that lot from me. Bang 'em up and lose the keys.

What of the rest - the majority of time-servers? Mr Howard says that crime is reduced by incarcerating them. He gives two reasons. Criminals cannot be housebreaking or car-smashing or whatever while locked in. When outside, they are deterred by the knowledge that offending leads to jail. Anyhow, nobody knows how to prevent crime. The home secretary can only ensure that the courts, the police and the prison service function effectively. This is disingenuous, silky barrister-talk. Inadequate, the institutionalised, the mentally abnormal, and drug or drink dependents are society's failures. Not all of them are, as the Victorians might have insisted, Satan's children. Very few of us are inherently wicked.

There has to be a correlation between the number of social failures and the rate of unemployment, the availability of affordable housing, and the

effectiveness of education. Perhaps television violence plays its part. Governments, if not home secretaries, can do something in each of these areas. They can also watch their mouths. Politicians cannot inculcate moral values, but the values they espouse do matter. Prisoner capitalism is a wonderful mechanism, but it does not teach self-restraint, or discipline, or respect for the criminal law. It merely asks that the lower classes be born with such qualities.

This is not to condone crime. Mr Howard's hopeless cases have doubtless been imprisoned for sound reasons, but he should know that they will be more likely to offend when released. There will be more victims, not fewer. As to deterrence, certainty of capture is the key. If thieves do not believe that they will be caught, sentences of 100 years plus life will not deter them. Habitual criminals, who may be rounded up after a spate of burglaries in a particular area, may regard their chances of getting away with it as too low for comfort. In such cases, putting them in jail may be a cost-effective means of reducing crime, as some evidence suggests.

Whatever its value, prison alone is not the answer. The numbers tell the story. Crime statistics are notoriously unreliable, but the official ones all we have. We must do our best with them. According to the British crime survey, published by the Home Office on Wednesday, some 15m offences were committed against individuals and their property in 1991. That is an increase of 36 per cent over the

1981 estimate. About a third of these were recorded in police incident books. The police "clear up" about 26 per cent of the crimes they record. The proportion of crimes resulting in conviction, the BCS notes, is about 5 per cent. We know that only a fraction of those end in imprisonment. Seen in this perspective, Mr Howard's plan to build six new prisons aims a thimbleful of water at a pebble fire. If the new jails are, like the old ones, crisscrossed by crime, it might even be a thimbleful of petrol.

Very well, you say, what should he do? First, he can make the police more efficient. Yesterday's report from the Audit Commission suggests

ways of using police time more effectively. The government may accept these recommendations. The rest of us will wonder what the law "n" order Tories have been doing about police management during the past 14 years. Mr Howard's celebrated "27 points", announced at the recent Conservative party conference, are, he says, designed to facilitate the detection of crime and the conviction of the guilty. Some of the latter will be sent down. That is why he is building more prisons. Disingenuity is this chap's art form.

Next, the home secretary can focus on crime prevention. The Audit Commission says that the police cannot be held responsible if cars are smashed with poor security, or if individuals do not do all that can reasonably be expected of them to protect their own property. Oh yes? It was just this point that landed Lord Woolf in such trouble when he criti-

cised the home secretary's approach a few weeks ago. Yet here is the Audit Commission saying the same thing, only leaving out the Woolf slip-up which was to suggest fines for people who failed to protect their property.

And over here is the BCS report, which tells us that "the technology exists to make cars much harder to break into, and that there is also room for encouraging builders to 'design out' opportunities for crime". It floats the notion of discounts on insurance for houses that are properly burglar-proofed. If he works on these themes, Mr Howard will be lacking half the recorded crime at one go. He says that the government is spending £200m a year on crime prevention, which he supports. Silly us. We had not realised that he has been stressing a strategy of prevention.

As to violence, most assaults are caused by drunkenness. The British yobbo is the product of the demon drink, Mr Howard might invite his predecessor, now chancellor, to raise the price of alcohol. Tax differentials could be used to encourage the sales of low-alcohol beers and wines. Domestic violence, or the dreadful random murders we read about are tragedies that no minister can prevent.

The real question that should be asked of the home secretary is, does he think talking tough works for him? The British yobbo is the product of the demon drink, Mr Howard might invite his predecessor, now chancellor, to raise the price of alcohol. Tax differentials could be used to encourage the sales of low-alcohol beers and wines. Domestic violence, or the dreadful random murders we read about are tragedies that no minister can prevent.

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for fastest resolution

### Pay is not decided by the market

From Dr Michael Rowlinson.

Sir, The articles on performance-related pay (Management: "Rewards for the top performers", November 3) pose the question of why PRP seems unstoppable even though there is little or no evidence that it has any positive effect on motivation. Two reasons for the popularity of PRP can be suggested.

First, with PRP each individual can be rewarded differently, even though employees' actual output on specific activities may be the same. This is unlike other types of individual performance pay, in particular payment by results (PBR), typified by piece rates. Being based on appraisals rather than just measures of output, PRP can take account of factors that are not easily quantifiable, such as commitment and initiative. At the same time this makes it difficult for workers to get together to fix their output and pay in the way that they were able to do with piece rates, which were once the basis of shop stewards' strength in industries such as car assembly.

Second, government patronage of PRP probably owes something to a naive belief that PRP embodies principles derived from free market economic models that can be applied to management. But the view that "the market" decides practically everything that is not decided by government leaves no role for management. In fact, as anyone who receives PRP must be aware, their level of pay is not decided by "the market" but by the subjective judgments of the manager who appraises them. Michael Rowlinson, lecturer in organisational management, University of Nottingham, Portland Building, University Park, Nottingham NG7 2RD

### Cadbury code not been undermined

From Mr G Acher.

Sir, There has been much coverage of the losses at Queens Moat Houses. There are two areas that investors and lenders must consider.

First, the apparent lack of basic financial controls. This adds fuel to the Cadbury debate. Scopes have said that compliance with many of Cadbury's structural recommendations did nothing to prevent the problems, which only proves that Cadbury achieves little.

I take a different view. I support the thrust of the Cadbury Code, but structures alone are not enough. Directors must also understand their responsibilities, and above all act on them. The public statement that Cadbury requires on internal controls will concentrate directors' minds on this task and this must be a good thing. But understanding needs robust, straightforward guidance - not academic tracts. The challenge for the business community is to produce this. At present this has not been achieved and we must now all work together to construct

guidance that is truly practical.

The second issue is the divergent hotel valuations. Blaming the surveyors is all too easy. A hotel valuation involves valuing a business. What financial information and forecasts were the surveyors given? How reliable was this information? Did the auditors or the surveyors verify it? Even where the financial information is the same, different judgments may be made. The skills required to value a business are much broader than those normally expected of a surveyor in valuing an investment property. Is it a really a job for surveyors alone?

I believe that the surveyors and the accounting profession must work together to establish a framework that can command the confidence of the business community.

G Acher, head of auditing and accounting, Peat Marwick, PO Box 486, 1 Puddle Dock, Blackfriars, London EC4V 3PD

### No taboo on privatisation

From Mr R Andreas Kraemer.

Sir, In the tale of two east German cities, Jody Dempsey reports that a shortfall of revenue could speed up the privatisation of local services. "Almost taboo in western Germany" ("Reconstructing bankrupt east Germany", November 2). Nuremberg. Outside the Free State of Bavaria, there are few German cities the size of Rostock or Halle where local services are not run by private companies. German municipalities may establish joint stock companies as municipal enterprises for their provision.

"Formal privatisation" combines independence of management guaranteed by company law, direct access to the financial markets and courts, and flexibility of private sector options with the rigours of commercial accountability requirements and strategic political control through municipal ownership. With these benefits, there has been little need for other types of privatisation in Germany. R Andreas Kraemer, IEP Bonn, Roonstrasse 7, 53175 Bonn, Germany

### Welcome move on discrimination damages

From Mr Herman Ouseley.

Sir, The hurt and the damage inflicted by racial discrimination have for too long been trivialised by the low level of damages industrial tribunals have been allowed to award. We therefore welcome ministers' announcements in recent days that the upper limit on compensation in discrimination cases is to be abolished.

In the last year for which we have statistics the average award by tribunals was £3,165 and the average settlement £3,981. These sorts of amounts do not act as a proper deterrent and they do not encourage victims to take up cases. We have been pressing govern-

ment for many years to make this change so that tribunal decisions can play a full part in the process of securing an end to discrimination in employment. The Marshall judgment in the European Court appears to have cut the Gordian knot for ministers and encouraged some clear action.

It will fit well with the growing understanding in management practice that the provision of equality of opportunity is good for business, whereas discrimination is bad. The problem is that, while such arguments have been given wider currency in management theory, we still see discrimination playing an all too substan-

tial part in the life of many ethnic minority employees. Meaningful and serious awards at tribunals will, we hope, help to clarify management minds on this.

We also hope the government does not leave this proposal on the shelf so far as racial discrimination is concerned. A quick amendment bill this coming session would send the signal we have long wanted discriminationists to get. Herman Ouseley, chair, Commission for Racial Equality, 10/12 Abington Street, London SW1E 5SE

### Facts speak for themselves in review of local government

From Councillor Margaret Singh.

Sir, I can only explain my friend and colleague Josie Farrington's views on the local government review (Letter, October 30) by reminding myself that she is speaking on behalf of the Association of County Councils and that county councils are due to be abolished if the review continues as scheduled.

In attempting to make her argument against reform she attacks both a government minister (David Curry) and tries to quote public opinion in her argument. Neither is justifi-

ed. The ACC knows there is a consensus between the three national political parties about the review. This is clear from the parties' manifestos at the last election. If she is looking for some authoritative historical support for the Labour party's position, I refer her to Aneurin Bevan speaking in 1954: "There is little or no spiritual identification by the citizen with the administrative county... its disappearance would involve the dispersal of sometimes highly efficient teams of officials but no emotional disturbance among the electorate embraced by it."

As for the public opinion polls she mentions - but does not detail - what they actually show (based on three polls on a sample of more than 6,000 individuals) is that 56 per cent of respondents expressing a view want to see a single local council in their locality rather than the existing two councils (district and county).

This finding is not really surprising. Two councils equals confusion about which is responsible for which service. There can be little genuine local accountability without clarity of responsibility. A single local council in each

area, based as locally to citizens as possible, will result in both efficiency gains and greatly improved local accountability. This is, therefore, reform for which the government does not deserve to be criticised.

We do not wish to squabble with our colleagues in counties - the provision of quality services is our prime concern - but the facts speak for themselves if reform for itself is to be properly reported. Margaret Singh, chair, Association of District Councils, 26 Chapter Street, London SW1P 4HD

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# FINANCIAL TIMES COMPANIES & MARKETS

THE FINANCIAL TIMES LIMITED 1993  
Friday November 5 1993

**TRUCK OF THE YEAR**  
Cargus  
1992

**TRUCK OF THE YEAR**  
Iveco  
1993

## INSIDE

### Indian telecoms to make \$500m issue

Videsh Sanchar Nigam, the Indian state-controlled international telecommunications network, is planning a \$500m international equity issue - the biggest-ever share offer by an Indian company and the first from the public sector. Page 24

### Volvo shareholders warn of flaw

Alfredson, the Swedish small shareholders association, has urged Volvo to abandon a planned merger of the car and truck operations with Renault, saying the agreement was too seriously flawed for renegotiation. Page 20

### Bumper time for Asian markets

Prices have soared throughout the region and trading volumes have also swollen. Except in the Philippines, the region's economies have shrugged off recessions and are typically growing by 8 per cent a year. Page 22

### Mitsubishi Motors slips

Sales and pre-tax profits at Mitsubishi Motors slipped in the first half amid a depressed domestic market and pressures from a rising yen. Page 28

### Increasing Chinese whippers

Hongkong Telecommunications, the colony's monopoly telephone utility which is 57.5 per cent owned by Cable and Wireless, has posted a 15 per cent increase in interim net profit to HK\$3.65bn (US\$472m) after continuing strong growth in calls to China. Page 23

### Hopes of recovery in the air

US airlines are again making profits, not very big, but the turnaround follows a three-year period in which they produced losses totalling more than \$10bn. Page 25

### Food retailer 'squeezed'

Wm Low, the Dundee-based food retailer facing growing competition from both discount chains and supermarkets, yesterday reported a modest 2.4 per cent increase in full-year pre-tax profits. Mr Philip Spicer, chief executive, said that in spite of tough trading conditions the group had been "squeezed not squeezed". Page 25

### Gartmore valued at \$339m

Barque Indosuez, the French bank, is to raise \$25.7m (\$112m) through the sale of 25 per cent of its UK fund management company, Gartmore. The sale, at 160p per share, values Gartmore, the UK's fourth largest pension-fund management company, at \$339m. Page 27

### WPP to sell US agency stake

WPP, the marketing services group, is to sell its 30 per cent stake in Scott, McCabe, Givens, the New York advertising agency group for \$56.5m. Page 28

### Lead-zinc producers at risk

Pressure is building for the European Commission to "sequester" the Community's lead-zinc producers, who claim to be at risk from increased imports from the former eastern bloc. Page 30

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### Chief price changes yesterday

FRANCAIS (FRF)	PAIRS (FRF)
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17
Alcatel	17

### London (Pence)

Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180
Alcatel	180	Alcatel	180

## Dutch chemicals group interested in Swedish company's industrial coatings unit

# Akzo and Nobel hold merger talks

By Ronald van de Krol in Amsterdam and Christopher Brown-Humes in Stockholm

AKZO, the Dutch chemicals group, is holding merger talks with Nobel Industries of Sweden. It plans to give details of their progress on Monday in Amsterdam.

The Dutch company, which is by far the larger of the two chemicals companies, said that the talks "may or may not lead to the announcement of a merger".

Analysts said it was not yet clear whether Akzo was interested in acquiring parts or all of Nobel, a specialty chemicals producer which also has high-tech and medical activities.

They said Akzo would probably be most keen to acquire Nobel's

paints/adhesives and industrial coatings divisions, which last year accounted for nearly one-third of Nobel's group sales of SKr21.5bn (\$2.7bn). It may be less interested in Nobel's high-tech division, Spectra-Physics.

Akzo, which has annual sales of F116.8bn (\$8.9bn), is active in chemicals, coatings, fibres and pharmaceuticals.

The companies were forced to disclose the talks after Swedish media reported that Akzo may be seeking to acquire certain Nobel businesses.

Akzo's shares rose strongly on the news to close at a record F199.50, or its F11.50 interim dividend. Yesterday's gains came on top of a F112.30 surge on Wednesday following Akzo's release of better-than-expected third-quarter figures.

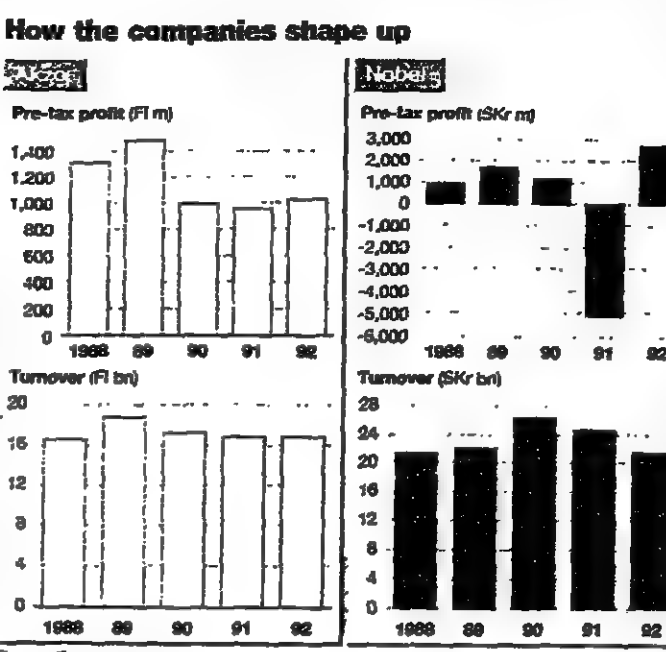
Nobel's shares were suspended in Stockholm at SKr22 each on Tuesday, when the group's market capitalisation amounted to SKr10.4bn.

Nobel is 61.4 per cent owned by Securum, a special unit set up to house the bad debts of Nordbanken.

Nobel had to be rescued by the bank after being threatened with bankruptcy in 1991 following the collapse of Gamlestad, a finance company in which it had a 48 per cent stake.

The group has been restructured, culminating in the sale of its defence electronics interests to Celsius Industries for SKr1.55bn earlier this year.

Of Akzo's four main businesses, the fibres sector is the only one operating at a loss. In



Source: Datastream  
Recent years Akzo has pruned its fibre activities and focused on bolstering its fast-growing pharmaceuticals business.

## BT reflects slight upturn in UK economy

By Alan Cane in London

FIRST-HALF results at British Telecommunications reflected a modest recovery in the UK economy, with improvements in profits, call volumes and demand for Yellow Pages advertising.

The shares slipped 7p to 489 1/2p, however, on warnings that the present rate of dividend growth was unlikely to be maintained.

Mr Iain Vallance, BT chairman, announced an interim payment of 6.65p, up 8.1 per cent. But "future dividend policy will need, more than ever, to take account of continuing low inflation, harsher regulation, tougher competition and emerging long-term needs and opportunities".

The City interpreted his remarks to mean that current market expectations of secure dividend growth of 8.5 per cent or so with a dividend cover of about 1.7-times, were unrealistic.

Under the terms of its licence, BT must keep increases in its main prices to the rate of inflation minus 7 1/2 per cent. BT has been making clear the difficulty of meeting a formula set when inflation was significantly higher

than now. Last week it announced the first £125m (\$185.75m) of 250m of price cuts to stay within the limit.

Pre-tax profits for the six months to September 30 grew by almost 50 per cent to £1.8bn from £1.02bn. After adjustments for redundancy charges and losses on disposals, however, the true increase was only 2.5 per cent. In the first six months of 1992, the company took redundancy charges of £442m and disposal losses of £136m, compared with £150m and a profit of £2m respectively this time.

Turnover was up 3.5 per cent to £8.76m. Earnings per share came out at 45 pence ahead at 15.5p - but leaving aside charges and disposals the increase was only 0.3 per cent.

Inland call volume grew 1.4 per cent in the half year and 3.5 per cent in the second quarter, compared with a decline of about 1 per cent a year ago. The increase in call volume more than compensated for volume discounts introduced through the year, BT said. On a 12-month moving average, there was a 3 per cent increase in inland call turnover



Iain Vallance: in talks on multimedia and entertainment

and a 7 per cent increase in international call turnover. During the first half 4,400 people left the company. Some 30,000 are expected to leave within two years.

Mr Vallance said the company was in continuous talks with a broad range of prospective partners in new businesses including multimedia and entertainment. Lex, Page 18, London SE, Page 31

## BP beats weak economies and oil prices to lift profits

By Robert Corzine in London

BP nearly doubled replacement cost profits to \$332m (\$500m) in the third quarter, shunning off weak oil prices and sluggish economic conditions.

Excluding exceptional items, the rise was 51 per cent. Reduced losses on disposal of businesses in the third quarter of 1993, compared with the previous year, and increased tax credits were responsible for the bulk of the difference. For the first time since 1991 the company saw a cash inflow from operations excluding disposals. Cash inflow was \$735m while disposal proceeds were \$222m.

Better-than-expected progress was made in reducing debt, which fell by \$1bn during the quarter to \$13.1bn - gearing of 88 per cent compared with 102 per

cent a year ago. The reduction in debt was helped by an accelerated programme of disposals of non-core assets. These totalled \$2.4bn in the first nine months, well ahead of a full-year target of \$1.5bn.

Mr Simon said disposals for 1994 would "probably be about \$1bn". Earnings per share for the quarter were 6.2p, while the third quarterly dividend was unchanged at 2.1p. The shares rose 10p to 367p.

BP's operating profit for the first nine months of the year was £1.89bn, 44 per cent up on the same period last year despite a \$3.40-a-barrel fall in the oil price.

Mr David Simon, chief executive, said BP's strong performance reflected cost savings, improved oil marketing margins and a stronger dollar. The com-

pany also received a \$50m after-tax benefit from changes made by the government last March to petroleum revenue tax.

The star performer for the quarter was refining and marketing. BP attributed its success to improved margins, although analysts thought BP's cost-cutting in the division may have been particularly successful.

Mr Simon said the latest results showed that BP was on track to make profits of \$2bn a year by 1995.

Chemicals lost £16m in the third quarter compared with a loss of £1m in the same period last year. Mr Simon pinpointed Europe's over-capacity in ethylene as a problem and said BP might "look to its own solutions" if there was no early pan-European agreement to cut capacity. Lex, Page 18, London SE, Page 31

## Sandner seizes initiative in Globex wrangle

By Laurie Morse in Chicago and Tracy Corrigan in London

MR JACK Sandner, chairman of the Chicago Mercantile Exchange, yesterday tried to gain the initiative in the struggle for control of Globex, the troubled electronic futures system.

He suggested that Globex be governed by a "consortium" of exchanges, each with an equal voice in the system's affairs.

Under his proposal, the CME and the Chicago Board of Trade - the world's largest futures exchanges - would give up their management of the system, which was developed jointly with the UK-based news and information group Reuters. But he rejected the idea that Reuters should run Globex as a utility.

If agreement is not reached before April, Reuters is widely expected to strip control from the Chicago exchanges when their contract comes up for renewal.

The plan addresses issues that have kept Liffe, London's futures exchange, from participating in Globex, and threaten to drive the Matif, the French futures exchange, off the system.

Disputes between the three Globex partners have hampered the system's international expansion, leading to losses for Reuters, Globex's largest investor.

The CME's face-saving proposal was given a non-committal welcome by the other players, who said they had not discussed details with Mr Sandner.

Any change would have to be palatable to Liffe, whose volume is sorely needed to revive the system, and to the Matif, which currently generates 85 per cent of Globex's volume.

"It sounds very interesting, but we need to study the detail," said Mr Daniel Hodson, Liffe's chief executive. Reuters said that it would study all proposals.

It is not surprising that the CME is attempting to broker an end to Globex disputes. Unlike the world's other major futures exchanges, the CME depends solely on Globex for after-hours trading, and would be at a competitive disadvantage without it.

The 30-point CME plan provides a means for dispute arbitration; forbids Reuters from negotiating with exchanges not party to the consortium; and shortens exchanges' commitments to Globex to three years. It sets technical performance standards for Reuters and removes a requirement that the exchanges pay several million dollars per year to Reuters if they fail to sell their quota of Globex terminals.

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## Christiania delays details of share offer

By Karen Fosell in Oslo

CHRISTIANIA BANK, Norway's second biggest bank, has failed to reach agreement with the government, its main shareholder, on the terms for a public offering of new shares.

The terms of the issue were expected yesterday when the bank published its nine-month result. Christiania reported net profits of Nkr566m (\$77m), against losses of Nkr785m last year, helped by low interest rates and gains on securities and foreign exchange. Net interest income rose to Nkr2.36bn from Nkr2.28bn as non-interest income - gains on securities, foreign exchange and fees - increased sharply to Nkr1.76bn from Nkr997m. Operating profit, before loan losses and write-downs, advanced to Nkr1.99bn from Nkr1.16bn. Write-offs rose by Nkr82m to Nkr124m as losses on loans and guarantees fell Nkr62m to Nkr1.24bn.

Analysts and government officials say the bank will seek to raise up to Nkr2bn, but Christiania refuses to be drawn on details of the offering until the plans are finalised.

The launch of the offering is being held back until bank officials can agree with the state on pricing of the new shares. "What we have is a difference of perspectives concerning the pricing of the new shares. The bank would like to be in a position to give a decent return on capital invested while the owner would like to make sure they don't give the bank away," a Christiania official said yesterday.

The state owns all but 9.2 per cent which is in the hands of 6,500 private shareholders. It took control in October 1991 after Christiania was declared technically insolvent and made cash injections.

The privately-owned shares are traded outside the Oslo bourse at about Nkr17 a share. Analysts say the pricing of the new shares could range anywhere from Nkr6 to Nkr16 each. They forecast the bank will make an initial issue and seek a listing in an attempt to improve its market valuation before a second tranche is launched.

Christiania said it would be natural to expand its foreign ownership quota to the legal limit of 33.3 per cent from 23.6 per cent.

Mr Borger Lenth, president, said the bank will release details of the offering as soon as outstanding issues relating to terms and pricing are agreed.

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## INTERNATIONAL COMPANIES AND FINANCE

## Volvo urged to abandon merger deal with Renault

By Christopher Brown-Humes in Stockholm

AKTIESPARARNA, the Swedish small shareholders association, yesterday urged Volvo to abandon a planned merger with Renault, arguing that the agreement was too seriously flawed for renegotiation.

The organisation was the first Swedish group to openly criticise the accord last month, setting in train a wave of domestic criticism which earlier this week forced Volvo to postpone a shareholders meeting called to approve the deal.

Aktiespararna members hold up to 10 per cent of Volvo's

shares - not enough to sink the deal, but influential enough to increase the pressure on Volvo and Renault to clarify details of the accord.

"There are so many deficiencies in this proposal that it's not realistic to expect the two parties to be able to negotiate any major improvements," said Mr Lars-Erik Forsgardh, Aktiespararna president.

He said it made more sense for the two groups to continue with their three-year alliance and start new talks which took the main objections to the merger into account.

The criticisms centre on valuation, the timetable for Renault's privatisation and the French "golden share" which

could compromise Volvo's 25 per cent ownership of the new company.

Mr Forsgardh warned that Volvo shareholders risked losing SKr9bn (\$1.1bn) if the merger went ahead. "The fundamental point is that Volvo has not succeeded in showing that this deal is good for its shareholders," he stated.

Volvo has rescheduled the shareholders meeting for December 7. If it wins backing for its plans, Aktiespararna is threatening a legal challenge on the grounds that the merger contradicts the vehicle company's articles of association.

"There is a good possibility that we will do this," said Mr Forsgardh.

## New Seat head to take 'tough decisions'

By Tom Burns in Madrid

VOLKSWAGEN yesterday appointed Mr Juan Llorens, a well-known Spanish auto executive, to head Seat, its troubled Spanish car producer.

He warned that he would take "tough and unpopular" decisions to return the company to profits after estimated losses this year of Pta100bn (\$738m).

Mr Llorens, 56, is the chairman of the Spanish Automakers Federation. He was deputy chairman of Enasa, a state-owned truck producer that was sold to Fiat, as well as board member of Seat between 1982 and 1986, the date when VW acquired the car manufacturer from INI, Spain's state holding company.

He replaces Mr Juan Antonio Alvarez who resigned as Seat's chairman at the end of September when VW rejected his plans to slim the Spanish company's labour force by 5,000 jobs.

VW has drawn up a viability plan for its Spanish subsidiary which foresees the closure of Seat's 40-year-old plant in Barcelona's Zona Franca area and the switch of its production to a new manufacturing plant.

Seat is planning to shed 9,000 jobs.

Mr Llorens said that Seat will "continue as a separate company and not just as a factory". This pledge addressed fears in Spain that the German group would absorb Seat outright, close down its trade mark and its design centre and use the Spanish company's remaining labour force to merely assemble VW vehicles.

VW is hoping that as many as 2,000 Seat employees that are due to be made redundant will be rehired by the Spanish company's suppliers.

Unions have opposed any closure of the Zona Franca factory in Barcelona and have imposed an overtime ban in Martorell, the new production base opened this year, and at Pamplona, Seat's third plant. Half-day protest strikes against VW's viability plans took place last week and a 24-hour stoppage is planned for next week.

## Tax bill fall helps Philips rebound

By Ronald van de Krol in Amsterdam

PHILIPS, the Dutch electronics company, swung into a net profit of F133m (\$70m) in the third quarter from a net loss of F139m the previous year, helped in part by a significant drop in tax bills and financial expenditure.

The company continues to suffer from slack markets in Europe, where it generates just over half of its annual sales. A better performance in other markets such as North America helped to offset weak conditions closer to home.

Despite difficulties in Europe, third-quarter operat-

ing profit rose to F156m from F134m a year earlier. However, Philips also benefited from a sharp drop in financing charges to F129m from F147m. The decline is due to Philips' continued progress in reducing its heavy debt burden as well as to the decline in worldwide interest rates.

Losses in consumer electronics narrowed, while higher results were achieved by the components and semiconductor divisions. However, professional products suffered a setback caused by reduced investments by Germany's telecommunications authority.

Group sales totalled

F14.13bn, up 4 per cent from the 1992 third quarter, but sales for the first nine months were steady at F14.4bn. The company continues to face strong downward pressure on selling prices, particularly in lighting and consumer electronics, two businesses which account for nearly half of total sales.

Net profit for the first three quarters soared to F1.45bn from F1.02bn, reflecting an extraordinary gain of F1.1bn booked in the second quarter on the sale of Philips' stake in a semi-conductor joint venture to Matsushita of Japan.

Mr Dudley Bussines, finance director, said Philips had real-

ised F140m in extraordinary gains from the recent share issue by PolyGram, the group's London-based music company. The gain has been set aside to pay for divesting unprofitable businesses in Europe as part of Philips' "portfolio choice" programme.

"Under the current recessionary circumstances, it is becoming increasingly difficult to sell off businesses and get even book value in exchange," he said.

Philips stands to receive "several hundred million guilders" in January under a lease-back transaction with Rabobank, the Dutch co-operative bank.

## KLM advances 20% to Fl 204m in quarter

By Ronald van de Krol

KLM, the Dutch national carrier which is closely involved in talks aimed at a four-way European airline merger, reported a 20 per cent increase in second-quarter profit. However, it cautioned that full-year 1993-94 results would be "marginally positive" at best.

Net profit in the latest quarter, which covers the period from July to September, totalled F120m (\$107m) compared with F170m in the

same period of 1992-93.

Passenger traffic climbed by a strong 18 per cent, but the trend towards cheaper fares and the shift away from business class travel left its mark, with passenger yields down 9 per cent.

"Unrelenting competition and shifting demand continue to pressure yields negatively," it said.

KLM did not comment directly on the progress of merger talks with Swissair, Scandinavian Airlines System and Austrian Airlines. But it

noted that the airline industry was still "marked by major uncertainties". KLM said results in the 1993-94 second half were expected to show a clear loss, reflecting the seasonal nature of the air travel industry.

It noted that its expectations of a marginally positive result for the full year were due partly to the pension contribution holiday negotiated earlier this year with unions representing flight attendants and pilots.

Yesterday's figures took

first-half net profit to F194m, a rise of 18 per cent, on sales up just 1 per cent at F1.45bn. KLM is eager to join forces with its three European partners in order to firm costs and to fight competition from major airlines. The carrier, which has been seeking to cut costs throughout the early 1990s, said the productivity of workers at KLM and its subsidiary KLM Cityhopper increased by 1 per cent in the quarter. The KLM group also includes a number of foreign carriers such as Northwest of the US.

## Swiss Re plans 'option' rights

By Ian Rodger in Zurich

SWISS Reinsurance, the world's second largest reinsurance group after Munich Reinsurance, is raising up to Sfr700m (\$466m) in 1994 and 1995 through option-based rights issues.

These would be in addition to the previously announced 1-for-10 rights issue later this year to raise Sfr575m.

Mr Arnold Saxer, chairman, said that the funds were needed to strengthen the group's capital base, whose growth was not keeping pace with that of premium income.

"These capital-raising plans are important. We would not undertake them if we did not have confidence in the

future," Mr Saxer said. He forecast that 1993 net income would be at least 10 per cent higher than last year's Sfr281m. Premium income was expected to rise 15 per cent. Last year, premium income was up 25.6 per cent to Sfr21.9bn.

Losses from catastrophes were expected to be lower this year and income was being boosted by premium rate increases in the accident and liability areas.

The capital raising for 1994 and 1995 is by way of two sets of options that will be given to shareholders, one exercisable until the end of 1994, the other until the end of 1995.

The options will be distributed on the basis of one option

of each type per bearer or registered share held following imminent 3-for-1 splits. Every 20 options will entitle the holder to purchase one registered share from the group treasury at a price to be fixed on November 24.

This year's conventional rights issue is on the basis of one new bearer or registered share for every 10 shares (post splits) or participation certificates. The price, expected to be about Sfr475 a share, will be set on November 24.

• Mövenpick, the Swiss restaurant and hotels group, said its sales in the first nine months rose 3.7 per cent and it anticipated a 30 per cent rise in 1993 net income over last year's depressed Sfr6.5m.

## London SE issues leaks guidance

By Norma Cohen, Investments Correspondent

THE London Stock Exchange yesterday issued proposed guidance intended to curb the selective leaking of price-sensitive information to market participants which can give rise to insider dealing.

However, the guidance stops well short of either defining price-sensitive information or requiring quarterly financial reporting, two measures sought by investor groups.

Requirements for unaudited quarterly reporting were also supported by many members of the Exchange's own Large Companies Advisory Committee, particularly those whose shares are traded on US exchanges and have coped easily with quarterly reporting requirements there.

The guidance is the result of efforts begun in late summer, in conjunction with the 100 Group of Finance Directors and shareholder and industry analyst associations. The move

followed the exchange's first-ever censure of a traded company, IIG, for telling a group of analysts about its financial condition and concerns about the nature of insider dealing rules contained in the new criminal justice bill.

Shareholders have urged more frequent public reporting, saying the longer price-sensitive information is kept inside the company the greater the opportunity for individuals to profit from public ignorance. See, Page 18

## Norgeskredit profits up sharply

By Karen Posselt in Oslo

NORGESKREDIT, the Norwegian private sector mortgage bank, yesterday announced a sharp rise in nine months pre-tax profit to Nkr718.5m (\$28.5m) from Nkr520m, helped by an increase in net interest income and securities gains.

Group nine-month net interest income rose by Nkr52.3m

to Nkr229.5m as last year's Nkr7.8m in securities losses were transformed into gains of Nkr17m this year.

At the net level, profits more than doubled to Nkr158.3m from Nkr70.6m. Operating costs rose to Nkr48.7m from Nkr31.1m as losses on loans and guarantees fell to Nkr1.6m from Nkr10.7m. Norgeskredit said the aggregate principal amount of loans in

default for more than 90 days rose to Nkr175.5m from Nkr156.7m.

"These loans are not in default with regard to the payment of the agreed interest," Norgeskredit explained. Mr Trond Westberg, president, forecast the bank would achieve growth of 5 to 10 per cent in loan volume by the mid-1990s. Demand for loans has been higher this year.

## Nomura gains Buenos Aires role

NOMURA International has been appointed financial adviser on a \$160m project to finance, improve and operate toll highways linking Buenos Aires and its suburbs to the international airport at Ezeiza, writes Stephen Fidler.

It will advise a consortium of the Spanish engineering company, Huarte, the J.M. Aragon civil engineering group of Argentina and consulting engineers Grimaux and Associates. The consortium has been offered a 22-year concession in

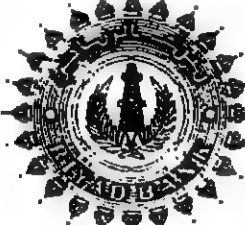
return for the works, which include the construction of a new road.

Having secured \$30m of performance bonds, the group is now seeking \$100m of project finance with local and international banks.

## Ahold gains NYSE go-ahead on ADR move

AHOLD, the Dutch food retailer, has received permission from the New York Stock Exchange to move its existing American depositary receipts on to the exchange starting on November 16, writes Ronald van de Krol.

Yesterday, an extraordinary Ahold shareholders meeting approved a 2-for-1 share split, designed to bring the company's share price into line with that of other food retailers quoted on US stock exchanges. The split, which halves the nominal value of Ahold's shares to F1.25 (\$0.85), also takes effect on November 16. The supermarket group, said Wagner, Stot & Co had been assigned by NYSE to maintain a market in the ADRs.



## بنك الرياض RIYAD BANK

SAUDI JOINT STOCK COMPANY

**Financial Statements As At 30/9/93 (Unaudited)**

	(S.R.'000) 30/9/93	(S.R.'000) 30/9/92
<b>ASSETS</b>		
• Cash & Due from Banks	19,514,901	20,940,887
• Loans and Advances (NET)	16,900,672	17,011,799
• Investments	14,319,732	9,480,233
• Other Assets	3,391,780	3,368,615
<b>Total Assets</b>	<b>54,127,085</b>	<b>50,801,534</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
• Customers' Deposits	29,095,189	31,058,035
• Due to Banks	15,314,716	11,324,561
• Other Liabilities	2,743,854	1,904,516
• Shareholders' Equity	6,973,326	6,514,422
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>54,127,085</b>	<b>50,801,534</b>
<b>CONTRA ACCOUNTS</b>	<b>71,767,961</b>	<b>67,923,954</b>
<b>PROFIT &amp; LOSS</b>		
Net income from operations	1,127,512	1,048,254
Operating expenses	(548,154)	(562,419)
Profit before provisions	579,358	485,835
Provision (Recoveries) for loan losses	78,319	17,289
<b>NET PROFIT</b>	<b>657,677</b>	<b>503,124</b>

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**Houston Agency**  
4770 MCNB Center, 700 Louisiana, Houston, Texas 77002 U.S.A.  
Tel: 713-234-8071, Fax: 713-234-8072, Telex: 4909762 RYAD HOU

Notes for directors, approved by the Board of Directors on 26 October 1993.

US Year	1992	1991	1990
1992	19.54	18.06	18.06
1991	20.12	18.06	18.06
1990	21.48	18.06	18.06
1989	28.76	20.84	22.87
1988	20.60	21.81	24.44
1987	20.44	19.12	18.12
1986	19.87	18.06	18.06
1985	18.04	18.06	18.06
1984	18.04	18.06	18.06
1983	18.06	18.06	18.06
1982	18.06	18.06	18.06
1981	18.06	18.06	18.06
1980	24.48	23.79	24.82
1979	24.48	23.79	24.82
1978	24.48	23.79	24.82
1977	24.48	23.79	24.82
1976	24.48	23.79	24.82
1975	24.48	23.79	24.82
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1962	24.48	23.79	24.82
1961	24.48	23.79	24.82
1960	24.48	23.79	24.82
1959	24.48	23.79	24.82
1958	24.48	23.79	24.82
1957	24.48	23.79	24.82
1956	24.48	23.79	24.82
1955	24.48	23.79	24.82
1954	24.48	23.79	24.82
1953	24.48	23.79	24.82
1952	24.48	23.79	24.82
1951	24.48	23.79	24.82
1950	24.48	23.79	24.82



## Swiss Re

**1992 Results**

Swiss Re Group	in millions of Swiss francs	
	1992	1991
Premium income	Gross: 21,925	17,452
	Net: 20,670	16,270
Life insurance in force	Net: 332,476	295,170
Underwriting results		
Non-Life insurance	-1,117	-781
Life insurance	130	94
Other income and outgo		
Investment and other financial income	2,082	1,843
Other income and outgo including losses	-745	-854
Consolidated net profit	Sw. frs. 715	266
Consolidated net profit per share	Sw. frs. 115	122
Consolidated net profit per non-voting share	Sw. frs. 23	24
Total investments	61,371	41,207
Technical reserves	48,180	38,718
Group capital funds shown	3,945	3,148

Swiss Re, Zurich

Dividend per share Sw. frs. 48.-<sup>a</sup> 48.-  
Dividend per non-voting share Sw. frs. 9.80<sup>a</sup> 9.80

<sup>a</sup> based on capital entitled to dividend  
<sup>b</sup> subject to the resolutions of the General Meeting

Converted into Swiss francs, gross premiums of the Swiss Re Group rose as against the previous year by 25.6%. About half of this growth is due to changes in the scope of consolidation, in particular to the inclusion of the ELVA Group for the first time. The growth rate of the companies hitherto included in the scope of consolidation was 13.1% when expressed in Swiss francs, 14.4% in original currency.

In Non-Life insurance, the underwriting loss rose by Sw. frs. 338 million to Sw. frs. 1,117 million. This result is attributable to the unfavourable experience of insurance business in general and to the burden caused by Hurricane "Andrew" in the USA (August 1992). "Andrew" cost the Group overall and in all classes of insurance a gross amount of around Sw. frs. 500 million; the net bur-

den to the 1992 Group account (i.e. after deduction of payments of retrocessions) is Sw. frs. 400 million. The underwriting profit in Life insurance increased by Sw. frs. 38 million to Sw. frs. 130 million.

Financial income was 11.9% higher than in the previous year, amounting to Sw. frs. 2,082 million.

The consolidated profit for 1992 amounts to Sw. frs. 281 million, 5.6% higher than that of the previous year.

The Board of Directors of Swiss Re, Zurich, will propose to the General Meeting of 26 November 1993 that an unchanged gross dividend of Sw. frs. 48.- per share and of Sw. frs. 9.80 per non-voting share be paid on the capital increased at the end of 1992. At the same time the Board of Directors will propose to the forthcoming General Meeting that:

- the international nature of the Swiss Re Group be underlined by opening up the share register;
- the structure of the company capital be simplified, thereby promoting share trading; and
- the company's capital funds shown be augmented by about Sw. frs. 575 million to support the growth in business anticipated for 1993 and subsequent years.

In addition, after the General Meeting the Board of Directors will dispose of part of the reserve registered shares by issuing option rights to purchase reserve registered shares to shareholders and non-voting shareholders. This is intended to let investors participate additionally in Swiss Re's future business experience.

Ulrich Bräni  
Chairman of the Board of Directors

Arnold W. Saver  
Managing Director

The 1992 Annual Report is available from:  
Swiss Reinsurance Company  
P.O. Box  
CH-8022 Zurich

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Finanzierungs-AG (Gesellschaft)

U.S. \$280,000,000

**Guaranteed Floating Rate**  
Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 4th February, 1994 has been fixed at 3.40% per annum. The interest accruing for each three month period will be U.S. \$86.89 per U.S. \$100,000 Bearer Note, and U.S. \$86.89 per U.S. \$100,000 Bearer Note, on 4th February, 1994 against presentation of Coupon No. 5.

Union Bank of Switzerland  
London Branch Agent Bank  
2nd November, 1993

**Union Bank of Switzerland**  
Finance N.V.  
U.S. \$250,000,000

**Guaranteed Floating Rate**  
Notes due 2002

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the six month period ending 4th May, 1994 has been fixed at 5% per annum. The interest accruing for each six month period will be U.S. \$25.14 per U.S. \$100,000 Bearer Note, and U.S. \$25.14 per U.S. \$100,000 Bearer Note, on 4th May, 1994 against presentation of Coupon No. 5.

Union Bank of Switzerland  
London Branch Agent Bank  
2nd November, 1993

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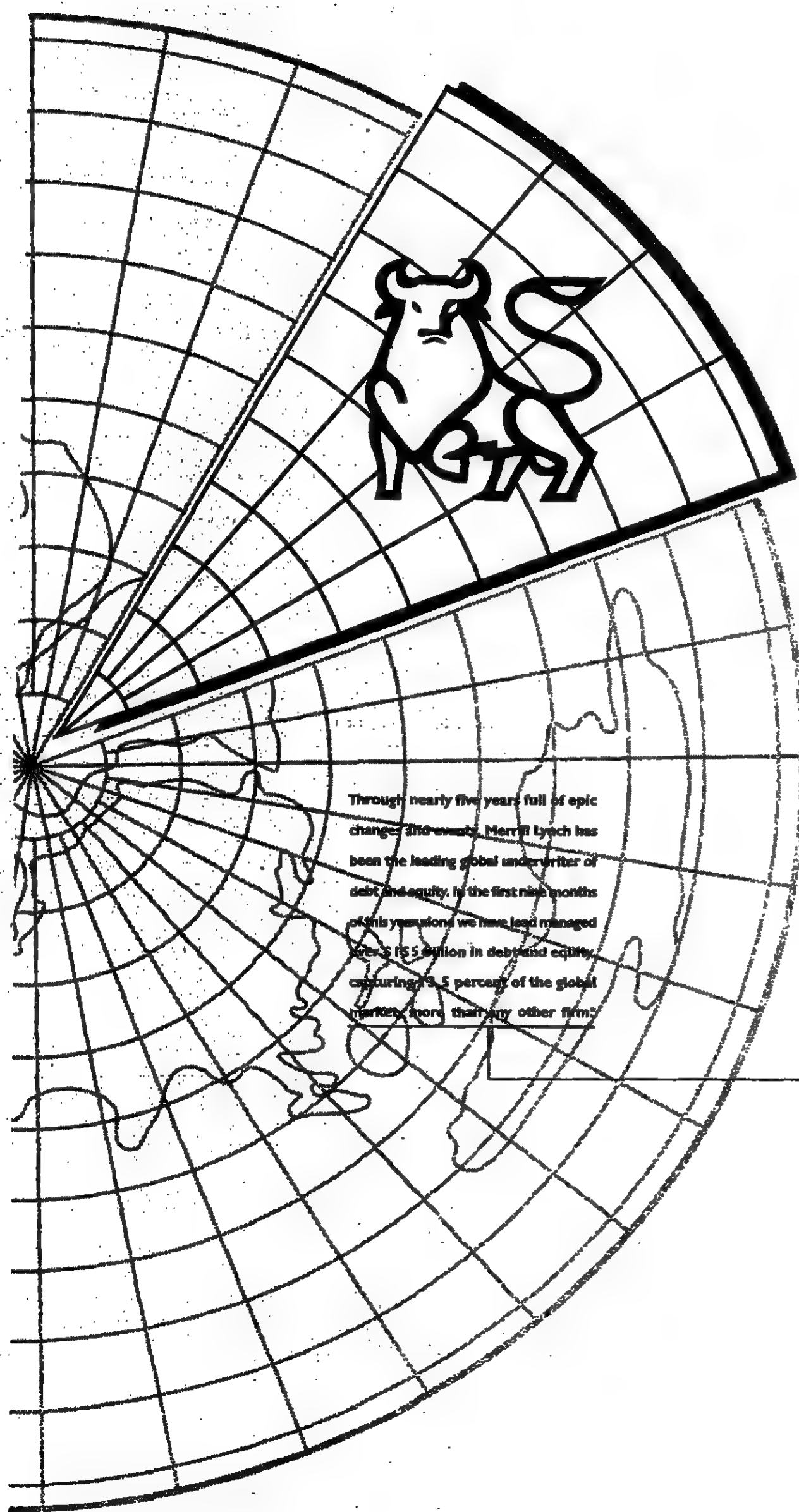
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\*Source: Securities Data Company

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## US utility and Cox 'close to' multi-media link

By Martin Dickson  
in New York

**SOUTHWESTERN** Bell, the regional telecommunications company, and Cox Enterprises, the privately-owned US media group, may be on the verge of forming America's latest multi-media alliance, according to a report yesterday in a Cox-owned newspaper.

The Atlanta Journal and Constitution said the two companies were expected to announce a definitive agreement near the end of this month. Under the deal, Southwestern Bell would make an investment of over \$1bn in Cox's cable unit.

The report comes amid a rush by US local telephone and cable television companies to form alliances in preparation for the growth of an interactive, multi-media home entertainment industry.

The biggest alliance so far is the planned takeover of Telecommunications by telephone group Bell Atlantic for up to \$22bn.

Southwestern Bell and Cox are already partners in the UK, where Cox last spring took a 26 per cent stake in cable television and telephone operations

owned by Southwestern. They have some 1.1m UK cable homes under franchise.

Cox, with US interests including 17 daily newspapers and seven television stations, runs the sixth-largest cable system in the US, with some 1.7m subscribers.

Southwestern Bell, based in San Antonio, Texas, provides telecommunications services in Texas and neighbouring states. Early this year it became the first US regional phone company to enter the cable business when it agreed to buy two systems in suburban Washington, DC, for \$650m.

Analysts speculated yesterday that Cox might spin its cable systems off into a separate, and possibly public, company in which Southwestern Bell could invest. This would preserve the private nature of the rest of the group.

Southwestern Bell yesterday declined to comment on the reports. No comment was immediately available from Mr Dave Andersen, chief spokesman for Cox, who told the Atlanta Constitution that the company had talked to all seven Baby Bell regional phone companies.

## Calls to China boost Hong Kong Telecom

By Simon Davies  
in Hong Kong

**HONGKONG** Telecommunications, the colony's monopoly telephone utility which is 57.5 per cent owned by the UK's Cable & Wireless, yesterday posted a 15 per cent rise in interim net profit to HK\$3.55m (US\$472.8m) due to continuing strong growth in calls to China.

Profits were up from HK\$3.17m in the six months to September 1992, while turnover increased by 13 per cent to HK\$11.95m, with revenue from international telephone services growing by a similar proportion to HK\$7.53m.

The interim dividend is 23.4 cents a share, up from 20.3 cents in 1992.

Mr Michael Gale, Hong Kong Telecom's chief executive, said he believed the rate of earnings growth could be maintained for the full year. Calls to China rose by 48 per cent in the first half of the year, accounting for 30 per cent of international phone revenues. The company is emphasising its strategy of diversifying its income stream away from international telephony. It loses its international monopoly in 2006, while its monopoly on its domestic network will be removed in 1998.

Hong Kong Telecom completed the digitalisation of its telephone network in July, and plans to capitalise on this by focusing on the development of interactive multimedia services, thereby keeping the company a step ahead of competition.

This week Hong Kong Telecom said it had applied for a licence to operate a cable TV network after mid-1996. It is already investigating the potential for a video-on-demand service, which could be carried via the existing telecommunications network.

## Big US airlines pull out of losses spiral

The troubled carriers are showing signs of renewed growth, writes Richard Tomkins

It may be the wrong time of the year for green shoots to appear, but it appears the beleaguered US airline industry is at last showing signs of renewed growth.

The grounds for optimism lie in the industry's third-quarter results. This time last year, it was hard to find a large US carrier reporting anything other than the latest in a long series of losses. However, this year's third-quarter results have shown a turnaround. Suddenly, the airlines are making profits again.

Admittedly, the profits are not huge. United Airlines, the best-performing of the large carriers, produced third-quarter net income of only \$14m on turnover of \$3.6bn. However, the figures are notable in that they follow a three-year period in which US airlines have together produced losses totalling more than \$10bn.

The airlines' troubles stem partly from too much capacity chasing too little demand. New aircraft ordered during the boom years of the late 1980s arrived at a time when passenger numbers were falling because of recession.

Company failures, which might otherwise have brought supply and demand back into kilter, were prevented by US bankruptcy laws giving companies protection from their creditors.

Even more serious, however, has been the success of small, upstart carriers like Southwest Airlines, which have eaten heavily into the big companies' domestic markets by offering no-frills services at rock-bottom prices.

The large carriers have been unable to match the small companies' low operating costs and therefore to compete profitably at the same fares.

The recovery showing through in the latest quarterly results is the result of a sustained effort by the larger airlines to bring capacity into line with demand, bring costs down to competitive levels, and abandon unprofitable operations.

For example, United - the biggest US airline in terms of passenger miles flown - has accelerated the grounding of older aircraft, cut wages, and announced 2,800 job losses. American Airlines, the second

biggest, has given up competing with Southwest on many short-haul routes and grounded more than 30 aircraft from its fleet. Delta, ranking third, has cut more than 6,000 jobs since June last year.

For most airlines, the cost-cutting measures are just the beginning. Virtually all the big carriers plan to increase productivity through further heavy job cuts and changes in working practices. In theory, the combination of lower costs and rising passenger numbers should bring a return to healthy profits.

Some airlines, however, are unlikely to have it so easy. Most employees of the big carriers are heavily unionised and are digging their heels in over some of the changes. American's 21,000 flight attendants are threatening an all-out strike later this month over cuts in staffing levels, changes in holiday arrangements, and other productivity-enhancing measures being introduced by the company. United, too, is at loggerheads

### US AIRLINE RESULTS Third Quarter

	Net income \$m	
	1993	1992
United Airlines <sup>1</sup>	149	1
American Airlines <sup>2</sup>	118	-100
Delta Air Lines	60	-125
Northwest Airlines <sup>2</sup>	112	-20
USAir	-178	-106
AmericanWest Airlines	14	-71
Southwest Airlines	44	27

Notes: 1. Figures for USAir Corp. 2. Figures for AMT Corp. 3. Figures for Hong Kong Airlines.

Source: Company announcements

with employees over radical plans to set up a low-cost airline within an airline to compete head-on with Southwest and its ilk.

Although employees are being offered a majority stake in United if they agree to the deal, their union representatives have balked at some of the more far-reaching changes in working practices.

Meanwhile, the competitive pressures are intensifying. Southwest's success is spawning low-cost imitators, such as Kiwi International, Republic Air, UltraAir, MarkAir and RenoAir. And Continental Airlines, now largely non-union

after emerging from its second bankruptcy, has just launched its own no-frills operation called Continental Lite.

Daily US newspapers are carrying pages of advertisements from small and large airlines, each trying to outdo the other with outlandish fare offers.

Republic Air, for example, is advertising a New York-Los Angeles fare of \$89, with no requirement for advance purchase or a Saturday night stay. Continental invites readers to combine an ultra-low "Peanut Fare" with another offer called Add-A-Penny-Add-A-Pal, under which the passenger's companion flies for 1 cent each way.

So while the third-quarter profits offer a glimmer of hope for the airlines, they fall far short of what is required to restore the industry to health. Demand remains poor, and those that buy airline tickets want the cheapest deal they can get.

In this market, it is the lowest-cost operator that makes the money - and the big carriers have yet to show they can bring their costs down to where they can not only compete, but win.

## Primerica fills new post

By Patrick Herveaux  
in New York

**THE** US financial services group Primerica has appointed Mr James Dimon, its president and chief financial officer, to the new post of chief operating officer.

Mr Dimon, 37, a long-time confidant of Primerica chairman Mr Sandy Weir, is a key figure in the management team which masterminded the group's recent expansion.

That expansion included the acquisitions of the Wall Street brokerage house, Shearson, and the insurance company Travelers.

Mr Weir also announced the creation of an office of the chairman, which will have Mr Dimon, Mr Robert Lipp and Mr Frank Zarb, both vice-chairmen of Primerica, and Mr Robert Greenhill, chairman and chief executive of the group's Smith Barney Shearson brokerage unit.

## Nynex to take charge

By Martin Dickson

**NYNEX**, the regional telephone company serving the north-eastern US, is taking a fourth-quarter after-tax charge of between \$250m and \$275m. The charge relates to the sale of most of its information products and services businesses.

The company said yesterday it was withdrawing from the information services business to concentrate on communications opportunities around the world.

It expected to generate some \$300m in cash from the disposal programme.

As part of the divestment strategy, it also announced the

sale of the information services businesses of AGS computers to Keane, a Boston, Massachusetts, company specialising in information systems.

Earlier this year, Nynex sold the BIS group, a British-based information services company, to ACT Group. Meanwhile, this month Apertus Technologies of Minnesota said it planned to buy Systems Strategies, a Nynex company providing multi-vendor computer software.

Nynex recently agreed to invest \$1.2bn in Viacom, the cable television company, as part of its bid for entertainment group Paramount Communications.

## US retail gloom as profits fall

By Richard Tomkins  
in New York

**OCTOBER** sales figures reported by some of the larger US retailers yesterday were reinforced by a warning from Kmart, the discount store and specialty retailing group, that its third-quarter results would show a decline in net income.

Although Wal-Mart, the biggest US retailer, reported relatively good growth, with same-store sales 8 per cent higher than in the same month last year, figures from several other large retailers were weak.

Kmart said the first half of October had gone well, but unseasonably warm weather in

the second half interrupted the improvement in clothing sales experienced since early September. Overall, same-store sales were only 1.4 per cent ahead of last year's figure.

Mr Joseph Antonelli, chairman and chief executive, said: "More seasonable fall weather in early November has resulted in a dramatic pick-up in business, particularly in fashion merchandise."

However, he warned that an expected large loss at its Pace Membership Warehouse subsidiary - sold this week to the rival Wal-Mart Stores - together with the effects of a 1 per cent increase in the rate of US corporate tax, would produce a fall in net income.

Federated Department Stores, owner of Bloomingdale's and other chains, reported a 1.6 per cent decline in same-store sales, blaming sluggish economic conditions.

Woolworth, which last month announced the closure of 970 stores in North America, said total same-store sales were only 0.9 per cent up.

Better figures came from Sears, Roebuck, the Chicago-based department store group, which reported a 12.7 increase in same-store sales. There was modest growth from the J.C. Penney stores group, reporting a 3.6 per cent increase. But The Gap clothing chain saw a 2 per cent sales decline on a like-for-like basis.

## AEGIS GROUP PLC

To holders of 9.75% Guaranteed Redeemable Convertible Preference Shares 2004 (EuroPreference Shares) of Aegis (Netherlands Antilles) Finance N.V.

As part of the proposed Refinancing announced by Aegis Group plc ("Aegis") on 20th October, 1993, a meeting of EuroPreference Shareholders has been convened for 10.30 a.m. on Friday, 12th November, 1993 at the New Courtyard Rooms, Great Queen Street, London WC2B 3DA. At that meeting, resolutions to approve the redemption of the EuroPreference Shares in exchange for the issue of new Ordinary Shares in Aegis will be considered. The quorum requirement for the meeting is that two or more persons holding or representing not less than fifty per cent of the outstanding EuroPreference Shares are present. If a quorum is not present at the meeting, implementation of the Refinancing will be delayed.

Both an extraordinary and an ordinary resolution will be proposed at the meeting. The Refinancing is conditional upon the passing of these resolutions and it is therefore essential that the requisite majority of votes needed to pass each of them is obtained. The extraordinary resolution requires the approval of the holders of an absolute majority of the EuroPreference Shares in issue and the ordinary resolution requires the approval of at least two-thirds of those present or represented at the meeting.

The Board of Aegis believes that the Refinancing is important to the future of Aegis and in the best interests of all holders of Aegis' securities. You are strongly urged to vote in favour of the resolutions in order that the Refinancing may be implemented.

Copies of the circular to shareholders dated 20th October, 1993 explaining the Refinancing and the action to be taken can be obtained from Aegis at the address set out below.

Holders of bearer EuroPreference Shares whose shares are held through accounts with the Operator of the Euroclear System or CedeL S.A., should, if they have not already been notified of the relevant procedures, contact those organisations at the addresses set out below for details of how to give voting instructions for use at the meeting.

Holders of other bearer EuroPreference Shares should contact a Paying and Conversion Agent for details of how to vote at the meeting.

Holders of registered EuroPreference Shares should complete and return a form of proxy to The Royal Bank of Scotland (L.O.M.) Limited at the address set out on the proxy form. Forms of proxy can be obtained from Aegis at the address set out below.

All voting instructions and forms of proxy must be delivered to the appropriate address no later than 10.30 a.m. on Wednesday, 10th November, 1993 or such earlier time as is notified to you by Euroclear or CedeL S.A.

**Euroclear**  
Euroclear Operations Centre  
Boulevard E. Jacqmain 151, B-1210 Brussels, Belgium  
Tel: 322-224 1211

**CedeL S.A.**  
67 Boulevard Grande Duchesse Charlotte  
L-1010 Luxembourg  
Tel: 352-4499 21

**PRINCIPAL PAYING AGENT AND CONVERSION AGENT**  
Kredietbank S.A. Luxembourg  
43 Boulevard Royal, L-2955 Luxembourg  
Tel: 352-4797 2453

**PAYING AND CONVERSION AGENTS**  
Kredietbank N.V.  
Arenbergstraat 7  
B-1000 Brussels, Belgium  
Tel: 322-517 4111

If EuroPreference Shareholders are in any doubt as to the action they should take, they should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Aegis Group plc  
6 Eaton Gate  
London SW1W 9BL  
5th November, 1993

By order of the Board  
A. Richardson  
Company Secretary  
Tel: 71-730 1001

## DAIMLERBENZ

We hereby invite our shareholders to the 14th Extraordinary General Meeting, which will be held on **Monday, December 20, 1993 at 10.00 a.m.** in the International Congress Centrum (ICC), Messedamm 22, 14055 Berlin.

### Agenda (short version)

1. Resolution concerning consent to the merger agreement of October 14, 1993, between Daimler-Benz Aktiengesellschaft and Mercedes Aktiengesellschaft Holding.
2. Resolution concerning consent to the merger agreement of October 14, 1993, between Daimler-Benz Aktiengesellschaft and Steinhilber Automobil-Beteiligungs-Gesellschaft mbH.
3. Resolution concerning consent to the management and profit transfer agreement of October 12/15, 1993 with ITT Intertraffic Gesellschaft für integrierte Verkehrsmanagementysteme mbH, München.
4. Election to fill vacant position on the Supervisory Board.

Entitlement to attend the Extraordinary General Meeting and to exercise voting rights is restricted to shareholders who in accordance with the Articles of Association deposit their shares or the certificates of deposit of their shares at the latest by Monday, December 13, 1993 at the depository below or with the company or with a German notary or bank for central depository of securities and leave them there until the end of the Extraordinary General Meeting.

The depository in the United Kingdom is Deutsche Bank AG, London Branch.

Shares can also be deposited properly if with the consent of a depository they are blocked for its account by a bank until the end of the Extraordinary General Meeting.

The admission cards can be obtained from Deutsche Bank AG, London Branch, 6 Bishopsgate, London EC2P 2AT.

Stuttgart-Möhringen, November 5, 1993

Daimler-Benz Aktiengesellschaft  
The Board of Management



The Board of Management and the Supervisory Council of Akzo N.V. have decided to distribute for the fiscal year 1993 an interim dividend of NLG 0.00 per common share of NLG 20.

As from November 18, 1993, the above dividend of NLG 0.00 per common share, less 25% withholding tax, will be payable against surrender of coupon No. 41.

Paying agents in the United Kingdom:  
Barclays Bank PLC  
Barclays Depository Services  
168 Fenchurch Street  
London EC3P 3HP  
and  
Midland Securities Service  
Suffolk House  
Paying Agency Section  
5 Laurence Pountney Hill  
London EC4R 0EU

U.K. Residents  
Dividends so payable for U.K. residents will be paid less 15% withholding tax, and

U.K. Income tax will be deducted from the gross dividend.

Residents of other countries  
For residents of countries other than the United Kingdom with which the Netherlands has concluded a Convention for the Avoidance of Double Taxation, the rate of withholding tax (if any) will be adjusted upon presentation by the authorized depository of the necessary documents (Form 92, etc.). Where no such form is submitted, withholding tax will be deducted at the rate of 25%. United Kingdom tax at the standard rate will be deducted unless claims are accompanied by the appropriate affidavit forms.

Information concerning any of the above-mentioned documents may be obtained from Barclays Bank PLC and Midland Securities Service.

Amsterdam, November 4, 1993  
Akzo N.V., the Netherlands

**GOLDEN OPPORTUNITY IN HUMAN RESOURCE FIELD**  
We are a top 20 of the line career consulting placement firm operating 20 successful offices in the US and Canada, in business for more than 45 years. We now seek contacts in the UK and Europe. Our principal will be in London November 15-18. Only serious and financially capable parties will be considered. Replies should include budget, position and financial qualifications.  
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Tel: 071-473 3351 Fax: 071-473 3354  
or at the offices of  
Akzo N.V.  
Velperweg 76  
P.O. Box 9300  
6500 SB Arnhem  
the Netherlands  
Amsterdam, November 4, 1993  
Akzo N.V., the Netherlands

**DEN DANSKE BANK**  
originally issued in the name of Provinsbanken AB  
U.S. \$60,000,000  
Floating Rate Capital Notes 2000  
Notice of Early Redemption  
On behalf of Den Danske Bank Aktieselskab (the "Issuer"), S.G. Warburg & Co. Ltd. hereby gives notice to the holders of the above-mentioned Notes that in accordance with Condition 5(c) of the Notes the Issuer will redeem all of the Notes then outstanding on 8th December, 1993 (the "Redemption Date"). The Notes will be redeemed at their principal amount on the redemption date in accordance with the Terms and Conditions set out on the back of the Notes.

Payments of principal will be made on or after the Redemption Date at the specified office of any of the Paying Agents listed below against surrender of the Notes together with all unmatured Coupons. Coupon No. 16 maturing on 8th December, 1993 should be presented for payment in the usual manner in respect of the interest payment due on that day but otherwise interest will cease to accrue on the Notes from the Redemption Date. Unmatured Coupons shall become void and no payment shall be made in respect thereof.

Notes and matured Coupons will become void unless presented for payment in the case of Notes, within a period of ten years from the Redemption Date, and in the case of Coupons, within a period of five years from the first date due for payment thereof.

**Paying Agent**  
S.G. Warburg & Co. Ltd.  
2 Finsbury Avenue  
London EC2M 2TA

**Paying Agents**  
Den Danske Bank  
2-12 Holmens Kanal  
DK-1092 Copenhagen K

Kredietbank S.A. Luxembourg  
43 Boulevard Royal  
Luxembourg

Morgan Guaranty Trust Company of New York  
33 Avenue des Arts  
1040 Brussels

5th November, 1993

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Tel: 071-734 7172  
Fax: 071-430 4966  
019224 Yem-lw

**TOYO TRUST**  
The Toyo Trust & Banking Company, Limited  
The English version of the Annual Report and Accounts for the year to 31st March, 1993 have been published and may be obtained from:  
The Toyo Trust & Banking Company, Limited  
Bucklersbury House  
83 Cannon Street  
London EC4N 8AJ  
de Zoete & Bevan Limited  
Ebbw Vale House  
2 Swan Lane  
London EC4R 3TS

**USD 150,000,000**  
**SOLVAY FINANCE (BERMUDA) LTD**  
Floating Rate Notes  
issued in two series  
guaranteed by Solvay S.A.  
Series 1: USD 120,000,000  
Interest Rate 4.025% p.a.  
Interest Period November 4, 1993  
May 4, 1994  
Interest Amount due on  
May 4, 1994 per  
USD 500,000 USD 10,212.07  
Agent Bank

**AKZO**  
The Board of Management of Akzo N.V. announces that on November 5, 1993, the results for the third quarter 1993 were published.  
Copies of this report may be obtained from the London Paying Agents:  
Barclays Bank PLC  
Barclays Depository Services  
168 Fenchurch Street  
London EC3P 3HP  
and  
Midland Securities Service  
Suffolk House  
Paying Agency Section  
5 Laurence Pountney Hill  
London EC4R 0EU  
or at the offices of  
Akzo N.V.  
Velperweg 76  
P.O. Box 9300  
6500 SB Arnhem  
the Netherlands  
Amsterdam, November 4, 1993  
Akzo N.V., the Netherlands



## INTERNATIONAL CAPITAL MARKETS

## JGBs at six-year high as Nikkei falls below 19,000

By Sara Webb in London and Patrick Harverson in New York

JAPANESE government bonds climbed to a six-year high yesterday, taking their cue from the weakness of the Tokyo stock market and the generally gloomy economic background.

The December futures contract opened at 114.98 and rose to a high of 115.29 before ending Tokyo trading at 115.20. In the cash market, the No 145 JGB's yield opened at 3.505 per cent and closed at 3.43 per cent, corresponding to the high price of the day.

## GOVERNMENT BONDS

The trigger for the bond rally was the sharp decline in the Nikkei 225 average index, which dropped 431.45 to end below the psychologically important 19,000 level at 18,949.79 for the first time in eight months.

The stock market's weakness kindled hopes of a further easing in open money market interest rates. The overnight call rate is currently at 2.5 per cent, while the rate on three-month certificates of deposit slipped a further 2 basis points to 2.34 per cent yesterday. Both rates are expected to slip lower in the near future, dealers said.

"There's been a lot more concern about the state of the economy in recent weeks, and new money which would have gone into equities has found a home in bonds instead, given the economic environment," said Mr Gerard Lyons, chief economist at DKB International.

He added that if the economy is still very weak in the second quarter of next year, it could possibly prompt another cut in the official discount rate (ODR), which is currently at 1.75 per cent.

■ **HIGH-YIELDING** European government bond markets took a knock as domestic political and economic worries grabbed the attention of investors.

Italian government bonds suffered a sharp fall in the wake of new corruption allegations. Although President Scalfaro made an unexpected television appearance late on Wednesday in order to deny the allegations, dealers said the market appeared nervous, wiping out the previous day's gains. The December BTP contract on Liffe settled at 116.19, against its opening level of 116.91.

Rumours circulated that the Italian Treasury may issue 30-year lira government bonds, helping to extend the maturity profile of the domestic debt

## FT FIXED INTEREST INDICES

	Nov 4	Nov 3	Nov 2	Nov 1	Oct 29	Nov	High	Low
GovtSec (00)	102.99	102.97	102.98	102.98	102.97	102.98	103.00	102.96
Fixed Income	124.01	123.99	124.13	124.25	124.35	124.35	124.35	124.35
Base 100: Government Securities (10/1000) Fixed Income								
Base 100: Government Securities (10/1000) Fixed Income								
Fixed Income High since opening: 124.35 (10/1000), low 124.35 (10/1000)								

## BILLY EDGED ACTIVITY

	Nov 3	Nov 2	Nov 1	Oct 29	Oct 28
GovtSec (00)	102.99	102.97	102.98	102.97	102.98
Fixed Income	124.01	123.99	124.13	124.25	124.35

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## BENCHMARK GOVERNMENT BONDS

	Coupon	Yield	Price	Change	Yield	Week	Month
AUSTRALIA	6.50	6.50	102.75	+0.02	6.50	6.50	6.50
BELGIUM	6.00	6.00	110.00	+0.02	6.00	6.00	6.00
CANADA	7.50	7.50	104.00	+0.02	7.50	7.50	7.50
DENMARK	8.00	8.00	111.00	+0.02	8.00	8.00	8.00
FRANCE	6.75	6.75	105.00	+0.02	6.75	6.75	6.75
GERMANY	6.00	6.00	101.00	+0.02	6.00	6.00	6.00
ITALY	10.00	10.00	103.00	+0.02	10.00	10.00	10.00
JAPAN	4.50	4.50	108.00	+0.02	4.50	4.50	4.50
NETHERLANDS	7.00	7.00	108.00	+0.02	7.00	7.00	7.00
SPAIN	10.00	10.00	114.00	+0.02	10.00	10.00	10.00
UK GILT	7.50	7.50	104.00	+0.02	7.50	7.50	7.50
US TREASURY	8.00	8.00	109.00	+0.02	8.00	8.00	8.00
EU (French Govt)	6.00	6.00	110.00	+0.02	6.00	6.00	6.00

London closing, "denotes New York morning session" Yield: Local market standard

Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents)

Prices: US, UK, 100; others in decimals Technical Data: FT/US Price Standard

In the absence of any interesting domestic economic data, dealers said that the bond market is likely to be watching today's release of the US employment data with keen interest.

■ **LONGER-DATED** Treasury securities continued to slide in New York yesterday, as investors traded cautiously, ahead of today's October employment report.

By midday, the benchmark 30-year government bond was down 1/4 at 101 1/4, yielding 6.121

per cent. At the end of the market, the two-year note was up 1/4 at 99 1/4, to yield 4.080 per cent.

The morning's main economic news - a 10,000 decline in weekly jobless claims - contributed to early losses at the long end of the market, primarily because dealers and investors' attention was focused on the October employment, which is due out today.

The jobless claims figures hinted that labour market conditions are continuing to improve, albeit gradually.

■ **THE** German government bond market ended little changed as the Bundesbank left its key interest rates untouched at yesterday's council meeting.

Dealers said that shortening trades were the main theme of the day. The 7 1/2 per cent gilt due 1998 rose 1/4 to trade at 104 1/4 by late afternoon.

Meanwhile, long-dated issues

held steady as dealers pointed out that concerns about inflation have abated slightly.

Earlier this week, Mr Eddie George, the governor of the Bank of England, called for companies to help curb inflation by generating higher profits through increased output and capacity use, rather than through higher prices.

Mr Simon Briscoe, an economist at S.G. Warburg Securities, said that "the market took some encouragement from the governor's speech". He added that this week's news of a supermarket price war is also likely to be good for gilts, as it should help to subside inflation.

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Growing competition behind food retailer's sluggish growth

## Wm Low edges ahead to £21m

By Paul Taylor

WM LOW, the Dundee-based food retailer facing growing competition from both discount chains and supermarkets, yesterday reported a modest 2.4 per cent increase in full-year pre-tax profits boosted by two new store openings.

Pre-tax profits edged up from £20.6m to £21.1m in the 52 weeks to September 4. Turnover increased by 6.4 per cent to £447m (£420m) mainly reflecting the opening of the new stores.

However, on a like-for-like basis sales grew by just 0.5 per cent. The group acknowledged that several factors limited growth during the year including cheaper products, low inflation and "increased price competition in all sectors of the market and the continuing increase in new forms of food retailing."

Nevertheless, Mr Philip Spicer, chief executive, emphasised that despite these tough new trading conditions the group had been "squeezed not squashed."

However, static or falling store volumes resulted in higher operating cost ratios both in the branches and in head office. As a result, net

operating margins in the second half were 5.1 per cent compared with 5.3 per cent in the same period last year but 0.9 per cent ahead of the first half. Operating profits increased to £22.1m (£20.6m) but interest costs jumped to £392,000 (£1,000 interest receipts) after capitalising £2.32m (£2.03m) of interest on borrowings incurred to finance the group's development programme.

Capital expenditure for the past year was £41.7m but is expected to be scaled back to about £23m this year. This expenditure will be partly offset by the estimated £3m proceeds from the sale of a retail park development and other disposals.

The group ended the year with net borrowings of £55.5m, equivalent to gearing of 33 per cent. Earnings per share edged ahead to 23.2p (23.2p) and the proposed final dividend is held at 5.7p, making an unchanged total of 8.4p. The shares fell 8p to close at 154p.

## COMMENT

Wm Low is being squeezed at both ends of the fast changing retail food sector in the group's traditional heartland. The deep discounters like Shopright are going head-to-head on price while the supermarket operators



James Miller, chairman: capital spending to be scaled back

like Sainsbury, which are expanding in Scotland, can overwhelm on range. Although capital spending is being slowed pre-tax profits this year

could fall to about £17m producing earnings of about 18.2p and a prospective dividend of 8.5p, a significant discount to an already battered sector.

## Raglan back in profit and calls for £19m

By John Murrell

RAGLAN Property Trust yesterday called for £19.3m net via a 3-for-1 rights issue and also reported a swing from losses of £1.47m to profits of £28,000 pre-tax for the six months to end-September.

The proceeds of the issue will enable Raglan to acquire selective investment properties "on attractive terms".

It is currently negotiating the acquisition of a number of commercial property portfolios which, if completed, would have an aggregate cost of £31m.

A contract for the purchase of one of these portfolios, comprising 18 shops and five offices, is expected to be exchanged before the end of the year at a cost of £12m.

The group recently agreed to acquire a 150-year leasehold interest in the existing Castle Centre shopping precinct in Banbury, near Oxford, from Chervell district council. The stake will entitle Raglan to 39.5 per cent of the total rents received from tenants in the centre.

The shopping precinct is located immediately adjacent to land and property that Raglan proposes to develop. Some £5.5m of the money being raised has been earmarked to acquire the interest in the Castle Centre and to fund Raglan's development proposals in Banbury over the next two years.

The rights issue, which is being underwritten by NM Rothschild, is of 84.6m new ordinary shares at 22p per share. The existing shares slipped 2p yesterday to 45p. Brokers to the issue are Cazenove & Co.

Turnover for the opening half year totalled £4.93m (£187,000). Interest charges were cut from £337,000 to £27,000 and earnings per share emerged at 0.3p (losses of £29.31p).

Mr Charles Cecil, the chairman, said the return to profitability was a "welcome sign that the plans put in place at the time of the restructuring in April were beginning to bear fruit".

## Medeva court setback over drug infringement

By Richard Gourlay

MEDEVA, the rapidly growing pharmaceuticals company whose shares halved this summer after a profits warning, yesterday suffered a further setback in the High Court.

Mr Justice Aldous ruled that Medeva's activities had infringed a patent held by US drug company Biogen for a Hepatitis B vaccine.

The vaccine, bought by Medeva last year, was the company's best early opportunity to produce a blockbuster drug and demonstrate it could market products it had developed.

Mr Bernard Taylor, chairman, said Medeva was "disappointed and surprised by the decision" and the company would appeal. When the vaccine was bought for an initial £3.5m in 1992, Medeva expected a fight with Biogen but had expected to win. Last year the

European Patent Office revoked Biogen's patent over Hepatitis B, a decision which the US company is also appealing against.

A Medeva spokesman said that if the EPO rejected this appeal when it passed judgment next year, the decision would over-ride whatever had happened in the British High Court.

Medeva's shares had a roller coaster day, rising sharply initially on anticipation of the judge finding in Medeva's favour. The shares then fell to 105p in heavy trading before recovering to close at 119.5p, a loss of 5 1/2p on the day.

The judge held Biogen's patent partially valid on the Hepatitis B vaccine which is licensed to Merck and Smith-Kline Beecham. Medeva said it would continue to develop the vaccine, sales of which were not due to start until 1995-96.

The company has adopted a novel strategy that includes buying portfolios of drugs in late stages of development to take them through the regulatory procedures to market.

Just as the strategy was beginning to convert some of the sceptics in the summer, Medeva warned that profits this year would rise but still be well below expectations.

There was a write-down of previously reported profits in MD Pharmaceuticals, its Californian subsidiary, but the company also said MD had been forced by the Food and Drug Administration to close temporarily to deal with production shortcomings.

In September, Medeva's hopes of launching a generic metered dose inhaler which would have challenged markets dominated by proprietary anti-asthma products, also suffered a setback.

## Smaller companies trusts to raise £70m

By Philip Coggan, Personal Finance Editor

TWO SMALLER companies investment trusts announced plans to raise up to £70m of new capital yesterday. Both Foreign & Colonial Smaller Companies and Amicable Smaller Enterprises are issuing C shares in a combination of a placing and open offer.

F&C Smaller Companies was ranked fourth among 29 smaller companies trusts in the year to November 1, according to Micropal, a performance ranking service; Amicable Smaller Enterprises was ranked fifth. UK smaller company shares have outperformed their larger brethren this year, after four successive calendar years of under-performance.

The F&C fund is international in scope, and buys shares in emerging markets. It says it will use the capital raised to "look at nearly new issues which have come to the market within the last two years and have achieved solid, but unexciting share prices."

F&C will issue up to 40m C shares at 100p, via a combination of a placing, open offer to existing shareholders on a 1-for-5 basis, and an offer-for-subscription. The C shares will convert into ordinary shares before March 23, 1994; issuing shares is a common device used by trusts when raising new capital, and is designed to avoid dilution of the net asset value of existing shares.

Amicable Smaller Enterprises is placing 26.15m C shares and making an open offer of a further 5m C shares at 100p each. The directors believe "there are currently favourable opportunities for investment in UK smaller companies and therefore that it is an appropriate time to expand the capital base of the company." The Amicable C shares will convert before December 31.

Both issues will need to be approved at extraordinary meetings - on November 29 for Amicable Smaller and on December 2 for F&C Smaller. Shares in F&C Smaller fell 1/2p to 188p yesterday; Amicable Smaller shares were unchanged at 131p.

## Alders flotation subscribed 2 1/2 times

By Maggie Urry

THE PUBLIC element of Alders' flotation has been 2 1/2 times subscribed, and allocations have been scaled down.

The company, which operates department stores and duty-free shops, received 24,984 applications for 43.62m shares, compared with the 17,76m shares available to the public.

Dealings are due to start in the shares on November 10.

Those who applied for the minimum 200 shares will receive 160; applicants for 300 shares are to get 200 and so on until applicants for 3,000 shares will receive 1,850 shares.

Above that level applicants will get a percentage of the number they applied for. Applications between 4,000 and 499,000 shares get 40 per cent; 500,000 to 999,000 get 30 per cent; 1m to 2m, get 25 per cent and over 2m get 20 per cent.

## Euromoney shows 28% rise to £17.7m

By Peter Pearson

EUROMONEY Publications, the information group 75 per cent-owned by the Daily Mail and General Trust, lifted pre-tax profits by 28 per cent from £13.8m to £17.7m in the year to September 30.

All parts of the group increased profits, except transport and leasing publishing. This, Mr Richard Ensor, Euromoney managing director, ascribed to the fitness of the aviation industry.

Operating profits in the group's core activity, international financial publishing, grew to £9.54m (£8.79m). Mr Ensor said that this area had been steadily rising over the years and profits were not simply derived from Euromoney magazine.

Another engine behind the

profits advance was training, which was swelled by the £3.7m acquisition of the banking and management training arm of DC Gardner in June. It was now Euromoney's second main activity and lifted operating profits to £2.71m (£1.54m).

Mr Ensor said that Gardner had only contributed to its poorest quarter and that there had been some disruption from moving following the purchase.

Mr Ensor saw scope for both organic and acquisition expansion, though any of the latter would be in "niche" training - either in geography or subject.

Profits were also boosted by a greater contribution from associated undertakings, up to £1.37m (£207,000). This was partly due to AIG, the international seminars business. In July, Euromoney lifted its

stake in AIG from 40 per cent to 60 per cent.

Indeed, the group said it had paid £14m for 33 businesses since September 1989 and expected to spend a further £18m over the next two years increasing its stakes in them.

Mr Ensor said that this gradual method of acquisition gave

vendors an incentive to manage the businesses as well as possible in the earn-out period.

Group turnover expanded to £49.7m (£44.9m), with £4.08m coming from acquisitions during the year. Earnings were up at 56.84p (£44.1p) per share and the dividend is increased to a proposed 38p (£2.5p).

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Current - previous dividend	Total for year	Total last year
Banbury	1p	Jan 17	7.5	12	11.5
Boots	4.9	Feb 4	4.8	-	12.4
British Telecom	5.65	Feb 14	5.15	-	15.8
Euromoney	27.5	Jan 14	21.5	38	28.5
Handro Insurance	1.85	Dec 10	-	-	-
Low (Wm)	5.7	Jan 8	5.7	8.4	8.4
MMT Computing S	2.75	Jan 11	2.4	4	3.5
Smart (J)	8.2	Dec 20	8.2	8.5	8.5
Westbury	1.75	Jan 8	1.75	-	5

On increased capital, \$USM stock.

BT  
Half Year  
Results

Results for second quarter and half year to 30 September, 1993

	3 months ended 30 September (unaudited)	6 months ended 30 September (unaudited)	1993 £m	1992 £m	1993 £m	1992 £m
Turnover	3,426	3,258	6,761	6,531		
Redundancy charges	97	386	150	442		
Operating profit	794	491	1,607	1,290		
Profit (loss) on sale of group companies	2	-	2	(135)		
Profit before taxation	743	431	1,500	1,027		
Taxation	257	144	518	389		
Minority interests	9	7	17	13		
Profit attributable to shareholders	477	280	965	625		
Interim dividend			413	361		
Earnings per share	7.7p	4.5p	15.6p	10.1p		
Interim dividend per share			6.65p	6.15p		

The interim dividend will be paid on 14 February 1994 to shareholders on the BT register on 4 January, 1994.

Highlights excluding the impact of redundancy charges and disposed undertakings:  
 Turnover up by 2.1 per cent in the second quarter and up by 4.1 per cent for the half year.  
 Profit before tax up by 2.6 per cent in the second quarter and up by 2.5 per cent for the half year.  
 Earnings per share increased by 4.5 per cent in the second quarter and up by 0.3 per cent for the half year.

"Demand for our products and services continued to show encouraging signs of growth in the half year. Pre-tax profits increased 2.5 per cent after adjusting for redundancy charges and the effects of disposals."

But earnings per share were stable in the second quarter on this comparable basis. And, with the main dividend raised to 6.65p from 6.15p, there will be increasing

dividend of 6.65p per share represents an increase of 8.1 per cent. The company provides a regular dividend to shareholders. Future dividend policy will need to take account of continuing low inflation, harsher regulation, tougher competition and emerging investment needs and opportunities."

Iain Vallance  
Chairman  
4 November, 1993

For queries and shareholder please call 0345 010505. For daily recorded information on the BT share price and matters of interest to shareholders generally, please call 0345 010707. You may telephone these numbers from anywhere in the UK for the price of a local call.

BT Communications plc, 81 Newgate Street, London EC1A 7AJ.

There is a limited amount of exhibition space available at the conference

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PETROCHEMICAL INDUSTRY  
- Global Prospects Beyond the Recession

London, 22 &amp; 23 November 1993

This year's conference - the fifth in a well received series - will examine the challenges currently facing petrochemical producers and consider the longer-term outlook for the industry. An authoritative panel of speakers will discuss pricing, restructuring and financing and review developments in a number of key markets.

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**Dr Marcello Colitti**  
Chairman, Enichem SpA

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Sasol Limited

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 Company/Organisation \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_  
 Post Code \_\_\_\_\_ Country \_\_\_\_\_  
 Tel \_\_\_\_\_ Tlx \_\_\_\_\_ Fax \_\_\_\_\_  
 Type of Business \_\_\_\_\_

HA



The Directors, whose names appear on page 4 of the Listing Particulars dated 4 November 1993 relating to Gartmore plc ("Listing Particulars"), accept responsibility for the information contained in this advertisement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case), the information contained in this advertisement is in accordance with the facts and does not contain anything likely to affect the investment value of the securities. The Listing Particulars also contain full details of the history and the business of the Group. The Directors are satisfied that this advertisement contains a fair summary of the key information set out in the Listing Particulars.

# Gartmore plc

(Incorporated and registered in England and Wales under the Companies Act 1985/1989 with registered number 24762094)

## PLACING AND PUBLIC OFFER BY KLEINWORT BENSON LIMITED

of  
45,037,990 ordinary shares of 10p each at 168p per share  
payable in full on application

The application list for the Ordinary Shares now being offered to the public will open at 10.00 am on Thursday, 11 November 1993 and may be closed at any time thereafter.

The procedure for application and an Application Form for use in connection with the Public Offer are set out at the end of this advertisement. Application has been made to the London Stock Exchange for the whole of the issued ordinary share capital of Gartmore plc to be admitted to the Official List. It is expected that admission to the Official List will become effective and that dealings in the Ordinary Shares will commence on Friday, 19 November 1993.

### SHARE CAPITAL

Authorised		Issued	
Number	Amount	Number	Amount
240,000,000	£24,000,000	201,547,500	£20,154,756
		ordinary shares of 10p each	

The Ordinary Shares which are the subject of the Offer rank *pari passu* in all respects with the other issued Ordinary Shares and rank in full for all dividends or other distributions declared, paid or made in respect of the issued ordinary share capital of Gartmore plc.

### KEY INFORMATION

The following information should be read in conjunction with the full text of the Listing Particulars from which it is derived.

#### BUSINESS

Gartmore provides investment management and advisory services to institutional and retail clients, both in the UK and overseas. The Group is one of the leading fund managers based in the UK and has a significant presence in the management of pension funds, unit trusts and offshore funds and investment trusts.

At 30 June 1993, funds under management of the Group totalled \$16,085 million. These were divided between Gartmore's principal activities as shown below:

Activity	£ million	%
Pension funds	12,438	77
Unit trusts and offshore funds	1,124	7
Investment trusts	868	5
Other <sup>(1)</sup>	1,655	11
Total	16,085	100

(1) Including £282 million invested on behalf of UK pension fund clients in Gartmore's other products, including retail unit trusts. This amount has been included from the figures given for these other products in the above table.

(2) Including overseas share funds (including funds managed by McLaren, Budden, venture capital and money funds).

The value of funds under management of the Group has grown strongly in recent years as shown below:

	1990	At 31 December 1991	1992	At 30 June 1993
	£ million	£ million	£ million	£ million
Value of funds	8,982	9,284	12,827	16,085
Net new funds added during period	887	1,625	1,279	2,280

At 30 September 1993, funds under management of the Group totalled \$18.1 billion.

Gartmore's record of gaining new business has been built on the Group's strong and consistent investment performance, supported by high levels of client service.

#### FINANCIAL RECORD

The following financial information has been extracted from the Accountants' report which is set out in Part VII of the Listing Particulars:

	12 months ended 31 December			Six months ended 30 June
	1990	1991	1992	1993
	£'000	£'000	£'000	£'000
Revenue	35,435	40,823	47,715	30,051
Operating profit <sup>(1)</sup>	5,981	5,178	12,508	16,799
Profit on ordinary activities before taxation <sup>(2)</sup>	8,427	13,275	14,928	11,315
Profit/(loss) on ordinary activities before taxation <sup>(3)</sup>	3,933	2,804	(2,147)	6,571

(1) Before non-recurring and exceptional items.

(2) After non-recurring and exceptional items.

#### PROFIT FORECAST

The Directors forecast that, in the absence of unforeseen circumstances, Gartmore's profit on ordinary activities before taxation for the year ending 31 December 1993 will be not less than \$22.4 million and, on a pro forma basis, will be not less than \$24.5 million. Details of the profit forecast and the pro forma profit forecast, including the bases and principal assumptions on which they have been prepared, are set out in Part V of the Listing Particulars.

#### THE OFFER

All of the 45,037,990 Ordinary Shares being sold under the Offer are owned by Banque Indosuez. The Offer has been fully underwritten by Kleinwort Benson at the Offer Price. 39,274,694 Ordinary Shares are being placed with institutions and 15,763,296 Ordinary Shares are being offered to the public. Gartmore & Co. are stockbrokers to the Company. Arrangements have been made under which up to 1,576,330 Ordinary Shares available under the Public Offer are being reserved to meet applications from eligible employees of the Group.

#### OFFER STATISTICS

Offer Price	168p
Number of Ordinary Shares in Issue	201,547,500
Market capitalisation at the Offer Price	£338.6 million
Forecast earnings per Ordinary Share <sup>(1)</sup>	7.5p
Pro forma forecast earnings per Ordinary Share <sup>(2)</sup>	8.1p
Prospective price earnings multiple at the Offer Price <sup>(3)</sup>	21.3 times
Prospective pro forma price earnings multiple at the Offer Price <sup>(4)</sup>	20.7 times
National gross dividend yield at the Offer Price <sup>(5)</sup>	3.0 per cent.
National dividend cover <sup>(6)</sup>	2.0 times

(1) Based on the profit forecast for the year ending 31 December 1993 set out in Part V of the Listing Particulars.

(2) Based on the pro forma profit forecast for the year ending 31 December 1993 set out in Part V of the Listing Particulars.

(3) Based on the net dividend of 4.0p per share which the Directors consider, on the basis of the pro forma profit forecast, that they would have recommended in respect of the year ending 31 December 1993 if the Company's ordinary shares had been listed on the London Stock Exchange for the whole of that year, and assuming a dividend of 2.0p per share.

(4) Based on the pro forma forecast earnings per Ordinary Share and the national net dividend referred to in note (3) above.

#### RELATIONSHIP WITH BANQUE INDOSUEZ

The Company is currently a wholly-owned subsidiary of Banque Indosuez. On completion of the Offer, Banque Indosuez will own 75 per cent. of the Company's issued ordinary share capital. Banque Indosuez has no intention of altering its percentage interest in the Company. In any event, Banque Indosuez has undertaken that, subject to certain exceptions, it will not acquire any further Ordinary Shares and that it will not dispose of any Ordinary Shares for a period of one year following completion of the Offer. In connection with the Offer, the Company and Banque Indosuez have entered into an agreement which governs certain aspects of the future relationship between the two parties, including their ability to acquire and carry on investment management businesses in France in the case of Gartmore and in the UK in the case of Banque Indosuez. Details of this agreement and other arrangements between the Company and Banque Indosuez are set out in Part IV of the Listing Particulars.

### TERMS AND CONDITIONS OF APPLICATION

#### 1. TERMS AND CONDITIONS

(a) The contracts arising from the acceptance of applications will be conditional on (i) permission being granted for the whole of the Company's issued ordinary share capital to be admitted to the Official List of the London Stock Exchange ("Admission") and Admission becoming effective by the making of an announcement in accordance with Rule 520 of the rules thereof by the London Stock Exchange no later than 19 November 1993 (or such later date as Kleinwort Benson, Banque Indosuez and the Company may agree in writing being not later than 30 November 1993); and (ii) the obligations of Kleinwort Benson under the offer for sale and placing agreement set out in paragraph 9 of Part VII of the Listing Particulars, of which these terms and conditions of application form part, becoming unconditional and this agreement not being terminated before Admission becomes effective. Cheques or bankers' drafts for amounts payable on application may be presented for payment before such conditions are satisfied and, if such conditions are not satisfied, application moneys will be refunded (without interest) by returning the applicant's cheque or bankers' draft or by sending a cheque for the balance crossed "Account Payee" in favour of the first-named applicant through the post to the address of the first-named applicant at the risk of the applicant. In the meantime, application moneys will be kept in a separate bank account. It is expected that Admission will become effective on 19 November 1993.

(b) Save where the context otherwise requires, terms defined in the Listing Particulars bear the same meaning when used herein. References to the Application Form include, where the context permits, references to the Employee Application Form to be used by employees under the preferential allocation arrangements referred to in paragraph 2 below.

(c) Subject to these terms and conditions of application, Kleinwort Benson on behalf of Banque Indosuez reserves the right to reject in whole or in part or to accept down any applications, including, in particular, multiple or suspected multiple applications, and to present any cheques or bankers' drafts for payment on receipt. If any application is not accepted, or is accepted for fewer Ordinary Shares than the number applied for, the application moneys or, as the case may be, the balance of the application moneys, will be returned (without interest) by returning the applicant's cheque or bankers' draft or by sending a cheque for the balance crossed "Account Payee" in favour of the first-named applicant through the post to the address of the first-named applicant at the risk of the applicant. Kleinwort Benson on behalf of Banque Indosuez reserves the right to treat as valid and binding upon the applicant(s) any application, even if the accompanying Application Form is not completed in all respects in accordance with the instructions or is not accompanied by a power of attorney where necessary. The right is reserved to reject any application in respect of which the applicant's cheque or bankers' draft has not been cleared on first presentation and by 12.00 noon on 17 November 1993.

(d) The Public Offer is being made by Kleinwort Benson as agent of Banque Indosuez. Applications (other than those made under the employee preferential allocation arrangements referred to in paragraph 2 below) must be made on the accompanying Application Form, by completing and delivering an Application Form, you as the applicant(s):

(i) offer to purchase from Banque Indosuez the number of Ordinary Shares specified in your Application Form (or such smaller number for which the application is accepted) at the Offer Price on the terms and subject to the conditions set out in the Application Form (of which these terms and conditions of application and the guide to the Application Form form part) and subject to and on the basis of the information contained in the Listing Particulars and subject to the Memorandum and Articles of Association of the Company;

(ii) authorise Lloyd's Bank Regulators ("LBR") to send on behalf of Kleinwort Benson a definitive share certificate for the number of Ordinary Shares under the Public Offer is accepted and/or a cheque crossed "Account Payee" for any moneys returnable (without interest) or your cheque or bankers' draft in each case by post, at the risk of the person(s) entitled thereto, to your address (or in the case of joint applicants, to that of the first-named applicant as set out in your Application Form) and to do all things necessary to procure that your name (together with the name(s) of any joint applicant(s)) is placed on the register of members of the Company in respect of such Ordinary Shares for which your application is accepted;

(iii) in consideration of Kleinwort Benson and Banque Indosuez agreeing that they will consider and process applications for Ordinary Shares under the Public Offer in accordance with the procedures set out in the Listing Particulars and as a collateral contract between you and Kleinwort Benson and Banque Indosuez (for themselves and as trustees of the benefit thereof for the Company), which will become binding on despatch by post or delivery by hand of the Application Form to LBR at the address specified in the Application Form:

— agree that your application cannot be revoked by you until after 30 November 1993;

— warrant that your remittance will be honoured on first presentation and agree that if such remittance is not so honoured, you will not be entitled to receive a share certificate in respect of the Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of any Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by Kleinwort Benson on behalf of Banque Indosuez (which acceptance shall be in its absolute discretion and will be on the basis that you indemnify Kleinwort Benson, Banque Indosuez and the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by Kleinwort Benson on behalf of Banque Indosuez of such late payment in respect of such Ordinary Shares, Kleinwort Benson may (on behalf of Banque Indosuez and without prejudice to any other rights) avoid the agreement to allocate such Ordinary Shares to you and may re-allocate Ordinary Shares without liability to you or to some other person, in which case you will not be entitled to any refund or payment in respect of such Ordinary Shares (other than the refund to you at your risk of any proceeds of the cheque or bankers' draft accompanying your application, without interest); and

— agree promptly, on request by Kleinwort Benson, to disclose in writing to it any information which it may request in connection with your application and authorise Kleinwort Benson to disclose any information relating to your application which it may consider appropriate;

(iv) agree that any definitive share certificate to which you might become entitled and moneys to be returned to you may be retained pending clearance of your remittance or pending investigation of any suspected breach of the warranties in these terms and conditions of application and that such moneys will not bear interest;

(v) agree that in respect of these Ordinary Shares for which your application has been received and is not rejected, allocation of such Ordinary Shares to you shall be considered, as a condition of Kleinwort Benson on behalf of Banque Indosuez, either by notification to the London Stock Exchange of the basis of allocation (on which case allocation shall be on that basis) or by the determination of the number of Ordinary Shares to be allocated pursuant to the arrangements between Kleinwort Benson and LBR;

(vi) warrant that, if you sign an Application Form on behalf of somebody else or a corporation, you have the authority to do so and such person will be bound accordingly and will be deemed also to have made the offer and given the authorities, confirmation, warranties and undertakings contained in these terms and conditions of application;

(vii) confirm that in making this application, neither you, nor any person on whose behalf you are applying, is relying on any information or representation in relation to the Company or to any other member of the Group other than such as may be contained in the Listing Particulars and you accordingly agree that none of Kleinwort Benson, the Company, the Directors, Banque Indosuez or any other person acting on behalf of them, or any other person responsible solely or jointly for the Listing Particulars, or any part of the Listing Particulars, shall have any liability for any such information or representation;

(viii) warrant that no other application (not being an application under the terms of the employee preferential allocation arrangements referred to in paragraph 2 below) is

being made by you for your own account or by another on your behalf or for your benefit and with your knowledge for such purpose or, if you are applying as agent or nominee of another, that no other application is being made by you not being an application as aforesaid as an agent or nominee for that other person and that other person is not, to your knowledge, acting in concert with any other person or persons as aforesaid;

(ix) agree that all applications, acceptances of applications and contracts resulting from them under the Public Offer shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that in relation to any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications or contracts in any manner permitted by law or in any court of competent jurisdiction;

(x) warrant that you are not in the United States (as such term is used in Regulation S under the United States Securities Act of 1933 ("Securities Act"));

(xi) warrant that in connection with your application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other stamp duty in connection with your application in any territory, other than stamp duty or stamp duty reserve tax, and that you have not taken any action or omitted to take any action which will or may result in Kleinwort Benson, Banque Indosuez or the Company or any of their respective directors, officers, agents or employees acting in breach of the regulatory or legal requirements of any territory in connection with the Public Offer or your application;

(xii) agree that, having had the opportunity to read the Listing Particulars, you shall be deemed to have notice of all information and representations concerning the Company or any other member of the Group contained therein;

(xiii) warrant that you are not:

— applying as, or as a nominee or agent for, a person who is or may be liable to stamp duty under any of sections 67, 70, 95, or 96 of the Finance Act 1986 (depository receipts and clearance services); or

— applying as, or as a nominee or agent for, a person who is a market-maker in the Ordinary Shares within the meaning of Section 81 of the Finance Act 1986. If you are unable to make this warranty, please state the date on which application for registration as a market-maker in respect of the Ordinary Shares was made to the London Stock Exchange and confirm that the purchase is being made in the ordinary course of business as market-maker; or

— applying for registration as, or as a nominee or trustee for, a body of persons established for charitable purposes only. If you are unable to make this warranty, please state the name of the charity and its registered number (where applicable);

(xiv) authorise Kleinwort Benson on behalf of Banque Indosuez, or any person authorised by Kleinwort Benson, on your behalf to make such returns to the Inland Revenue in relation to stamp duty reserve tax (if any) payable on any contract arising on acceptance of your application and in relation to stamp duty (if any) payable on any transfer of Ordinary Shares as a result of such contract;

(xv) warrant that you are not under 18 years of age on the date of your application and that you are not applying on behalf of a person who is under 18 years of age on the date of your application unless it is a single application made as parent, grandparent or guardian for the benefit of a minor;

(xvi) agree that Kleinwort Benson will not treat you as its customer by virtue of such application being accepted and that Kleinwort Benson will not be responsible to you for providing to you the protections afforded to its customers and, accordingly, will not owe you any duties or responsibilities concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you as an investment;

(xvii) agree that your Application Form is addressed to Kleinwort Benson and Banque Indosuez and

(xviii) authorise LBR or Kleinwort Benson or their agents to do all things necessary to effect registration into your name(s) of any Ordinary Shares acquired by you and authorise any representative of LBR or Kleinwort Benson in respect of and/or complete any documents of title required thereby;

(c) No person receiving a copy of the Listing Particulars or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such form could lawfully be used without contravention of any regulation or other regulatory or legal requirements and without any action being required by Kleinwort Benson, Banque Indosuez or the Company for the purpose of making such invitation or offer lawful in such territory. It is a condition of any application by any person outside the UK that he must satisfy himself as to full observance of the laws of any relevant territory in connection with the application including obtaining any requisite governmental or other consents which may be required and complying with any requisite formalities, and paying any issue, transfer or other taxes due in any such territory. The Listing Particulars and other documents relating to the Public Offer have not been submitted to the clearance procedures of any European or other authorities other than the relevant authorities in the UK. Kleinwort Benson on behalf of Banque Indosuez reserves the right in its absolute discretion to reject any application made by any person outside the UK;

(d) The Ordinary Shares have not been, and will not be, registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The terms and conditions of application incorporate a warranty that the applicant(s) is (are) not in the United States (as defined in Regulation S under the Securities Act). In addition, until 40 days after the date of the Listing Particulars, an offer or sale of Ordinary Shares within the United States by any dealer (as defined in the Securities Act), whether or not participating in the Public Offer, may violate the registration requirements of the Securities Act.

(e) Save to the extent permitted by law and for the information and representations contained in the Listing Particulars, all representations, warranties and conditions, express or implied and whether statutory or otherwise, are expressly excluded upon, and in relation to, the sale of the Ordinary Shares by Banque Indosuez.

(f) In the case of a joint application, references in these terms and conditions of application to "you" are to each joint applicant and the liability of joint applicants is joint and several.

The dates and times referred to in these terms and conditions of application may be altered by Kleinwort Benson so as to be consistent with the offer for sale and placing agreement (the same may be altered from time to time in accordance with its terms).

#### 2. ARRANGEMENTS FOR EMPLOYEES

Preferential consideration will be given to applications for up to 1,576,330 Ordinary Shares in aggregate (representing 10 per cent. of the Ordinary Shares which are subject to the Public Offer) from full-time and part-time employees of any company in the Group (other than McLaren, Budden, non-executive Directors and certain employees of McLaren, Budden at 20 October 1993 (together "eligible employees")).

Each eligible employee may submit only one Application Form under the employee preferential allocation arrangements in respect of himself ("Employee Application Form").

To the extent that applications are received from eligible employees for more than 1,576,330 Ordinary Shares in aggregate, such applications (or some of them) will be treated as if they had been made on a public Application Form (and may be rejected or scaled down at the discretion of Kleinwort Benson on behalf of Banque Indosuez).

Applications by eligible employees are to be made in accordance with the terms and conditions of application set out in the Employee Application Form (and, accordingly, may be rejected or scaled down at the discretion of Kleinwort Benson on behalf of Banque Indosuez).

#### 3. BASES OF ACCEPTANCE, DOCUMENTS OF TITLE AND DEALING ARRANGEMENTS

Application Forms must be sent by post or delivered by hand to LBR as to be received not later than 10.00 am on 11 November 1993 (or such later time as Kleinwort Benson may decide) at the address specified in the Application Form. The requirements for receipt of Employee Application Forms are contained in the guide to the Employee Application Form.

The application lists will open at 10.00 am on 11 November 1993 and will close as soon thereafter as Kleinwort Benson may determine. The basis on which applications are accepted will be announced as soon as possible after the application lists close. Subject to the arrangements for eligible employees (as described under paragraph 2 above), the basis of allocation for applications under the Public Offer will be determined by Kleinwort Benson on behalf of Banque Indosuez in its absolute discretion.

Temporary documents of title will not be issued. It is expected that definitive share certificates will be despatched by first class post on 18 November 1993. Dealings in the Ordinary Shares are expected to commence on 19 November 1993.

#### 4. STAMP DUTY AND STAMP DUTY RESERVE TAX

In relation to stamp duty and stamp duty reserve tax ("SDRT") the Directors have been advised as follows:

(a) a conveyance or transfer on sale of Ordinary Shares will generally be subject to *ad valorem* stamp duty or (if an unconditional agreement to transfer shares is not completed by a duly stamped transfer within two months) SDRT, in each case at the rate of 50p per £100 (or part thereof) of the actual consideration paid;

(b) where Ordinary Shares are issued or transferred to a nominee or agent of an issuer of depository receipts, one of certain specified issues of depository receipts or a provider of clearance services or its nominee or agent, stamp duty or SDRT will be payable at the higher rate of £1.50 per £100 (or part thereof) of the price payable, which stamp duty or SDRT must be accounted for by such issuer of depository receipts or the provider of clearance services or the nominee or agent of either such persons; and

(c) Banque Indosuez has undertaken in the offer for sale and placing agreement to pay any stamp duty or SDRT (if any) arising in respect of the purchase of the Ordinary Shares to be sold pursuant to the Offer (such payment to be discharged on its behalf by Kleinwort Benson) provided the person to whom the Ordinary Shares or its nominee becomes the registered holder of those Ordinary Shares and the transfer of the Ordinary Shares to the purchaser or its nominee does not give rise to the higher rate stamp duty or SDRT charge referred to in (b) above. Where the purchaser or nominee does not become the registered holder of such Ordinary Shares and Banque Indosuez pays stamp duty on a stock transfer form in relation to the sale of such Ordinary Shares, then the person to whom Banque Indosuez sold the Ordinary Shares will have to account for SDRT generally at the rate of 50p per £100 (or part thereof) of the price payable.

Pursuant to provisions contained in the Finance Act 1990, stamp duty in respect of transactions in shares and SDRT were to be abolished from a day to be appointed by Treasury Order. It had been intended that the day would coincide with the introduction of TAURIS (Transfer and Automated Registry of Uncollected Stock) on the London Stock Exchange. Following the decision to abandon TAURIS, it has been announced that stamp duty (and SDRT) will remain in place at least for 1993/4. The position will be reviewed in the light of the conclusions of a task force set up by the Bank of England.

The above statements are intended as a general guide to the current position. Any person who is in any doubt as to his position is advised to consult his professional adviser.

20/11/93



## AVAILABILITY OF LISTING PARTICULARS AND APPLICATION FORMS

Copies of the Listing Particulars and the Application Form may be obtained from:

Kleinwort Benson Limited 20 Fenchurch Street London EC3P 3DB	Lloyds Bank Plc Lloyds Bank Registrars Issue Section Bolsa House 80 Cheapside London EC2V 6EE	Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN	Financiere Indosuez Limited 122 Leadenhall Street London EC3V 4QH	Gartmore plc Gartmore House 16-18 Monument Street London EC3R 8AJ
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and are available for collection only from the following branches of Lloyds Bank Plc:

Birmingham 125 Colmore Row Birmingham B3	Bristol 55 Corn Street Bristol BS99	Cardiff 27 High Street Cardiff CF1	Edinburgh 113/115 George Street Edinburgh EH2	Glasgow 12 Bothwell Street Glasgow G2
Manchester 53 King Street Manchester M69	Newcastle upon Tyne 102 Grey Street Newcastle upon Tyne NE99			

and during normal business hours up to and including 8 November 1993 from the Company Announcements Office, London Stock Exchange Tower, Capel Court Entrance, off Bartholomew Lane, London EC2.

## GUIDE TO THE APPLICATION FORM

The following should be read in conjunction with the Application Form.

- 1 Insert in box 1 (in figures) the number of Ordinary Shares for which you are applying at 168p per share. Applications must be for a minimum of 200 Ordinary Shares and in one of the following multiples:

Applications for:	In multiples of:
200 to 1,000 shares	100 shares
1,000 to 3,000 shares	900 shares
3,000 to 10,000 shares	1,000 shares
10,000 to 20,000 shares	2,000 shares
20,000 to 50,000 shares	5,000 shares
50,000 to 100,000 shares	10,000 shares
over 100,000 shares	50,000 shares

- 2 Insert in box 2 (in figures) the amount of your cheque or bankers' draft.

The amount of your cheque or bankers' draft should be the Offer Price of 168p per Ordinary Share multiplied by the number of Ordinary Shares inserted in box 1. For example:

Number of Ordinary Shares for which you apply	Amount you pay now at 168p per share	Number of Ordinary Shares for which you apply	Amount you pay now at 168p per share
200	£336	900	£1,512
300	£504	1,000	£1,680
400	£672	1,500	£2,520
500	£840	2,000	£3,360
600	£1,008	2,500	£4,200
700	£1,176	3,000	£5,040
800	£1,344	4,000	£6,720

- 3 Date and sign the Application Form in box 3.

The Application Form may be signed by someone else on your behalf (and/or on behalf of any joint applicant(s)) if duly authorised to do so, but the power(s) of attorney or a duly certified copy thereof must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity must be stated.

You must send your completed Application Form by post, or deliver it by hand, to Lloyds Bank Plc, Lloyds Bank Registrars, Issue Section, Bolsa House, 80 Cheapside, London EC2V 6EE so as to be received not later than 10.00 am on Thursday, 11 November 1993.

If you post your Application Form, you are recommended to use first class post and allow at least two days for delivery.

Photocopies of your Application Form are not acceptable.

MULTIPLE OR SUSPECTED MULTIPLE APPLICATIONS MAY BE REJECTED IN THEIR ENTIRETY.

Applications may not be made by anyone aged under 18 (under 20 in Jersey), but you may apply as a parent, grandparent or guardian of a child under 18 for the benefit of that child. To do this, you should write your own name and address in BLOCK CAPITALS in box 4 and put the initials of the child in the designation box. If you make an application for a child in this way, you may also apply separately for your own benefit. If you are applying for your own benefit, please leave the designation box blank.

- 4 Insert your full name and address in BLOCK CAPITALS in box 4.

- 5 Pin a single cheque or bankers' draft to your completed Application Form. Your cheque or bankers' draft must be payable to "Lloyds Bank Plc - A/C Gartmore Offer" for the amount payable on application as inserted in box 2 and should be crossed "Account Payee".

No receipt will be issued for this payment, which must be solely for this application.

In each case the cheque must be drawn in sterling and bear a UK bank sort code number in the top right hand corner.

Applications may be accompanied by a cheque drawn by someone other than the applicant(s), but any moneys to be returned will be done so by returning the cheque to the applicant or by sending a cheque crossed "Account Payee" in favour of the person named in box 4.

- 6 You may apply jointly with other persons.

You must then arrange for the Application Form to be completed by or on behalf of each other joint applicant (up to a maximum of three other persons). Their full names should be inserted in BLOCK CAPITALS in box 6.

- 7 Box 7 must be signed by or on behalf of each joint applicant (other than the first applicant, who should complete box 4 and sign in box 3).

If anyone is signing on behalf of any joint applicant(s), the power(s) of attorney or a duly certified copy thereof must be enclosed for inspection.

## APPLICATION FORM

## Gartmore plc

Offer by Kleinwort Benson Limited on behalf of Banque Indosuez of 45,037,990 ordinary shares of 10p each in Gartmore plc ("Ordinary Shares") at 168p per share, payable in full on application. Before making any application you are recommended to consult an independent financial adviser authorised under the Financial Services Act 1986. You may only apply for Ordinary Shares in the multiples stated in note 1 of the guide to the Application Form.

- 1 I/we offer to acquire

Ordinary Shares (or any smaller number of Ordinary Shares in respect of which this application may be accepted) at 168p per share on the terms and subject to the conditions attaching to this application.

- 2 and I/we attach a cheque or bankers' draft for the amount payable of

£ (168p multiplied by the number of shares inserted in box 1)

- 3 Dated November 1993 Signature

## APPLICANT'S NAME AND ADDRESS: PLEASE USE BLOCK CAPITALS

Mr, Mrs, Miss or title	Surname	Mr, Mrs, Miss or title	Surname
Forenames in full		A/C designation	
Address in full		Postcode	

(Only fill in "A/C designation" box if applying on behalf of a child)

- 5 Pin here your cheque or bankers' draft made payable to "Lloyds Bank Plc - A/C Gartmore Offer" for the amount in box 2

Fill in this section only when there is more than one applicant. The first or sole applicant should complete box 4 and sign box 3. Insert below only the names of the second and subsequent applicants (up to a maximum of three additional applicants), each of whose signature is required in box 7.

## PLEASE USE BLOCK CAPITALS

Mr, Mrs, Miss or title	Surname	Mr, Mrs, Miss or title	Surname	Mr, Mrs, Miss or title	Surname
Forenames		Forenames		Forenames	

- 7 Signature Signature Signature

## RETURN OF APPLICATION FORM

You must send your completed Application Form by post, or deliver it by hand, so as to be received not later than 10.00 am on Thursday, 11 November 1993, to Lloyds Bank Plc, Lloyds Bank Registrars, Issue Section, Bolsa House, 80 Cheapside, London EC2V 6EE.

## COMPANY NEWS: UK

French bank to raise £75.7m through sale of 25% holding

## Indosuez to float Gartmore

By Norma Cohen, Investments Correspondent

BANQUE Indosuez, the French bank, is to raise £75.7m via the sale of 25 per cent of its UK fund management company, Gartmore, through a flotation at 168p a share.

The sale values Gartmore, the UK's fourth largest pension fund management company, at £338.6m, well above the company's own internal estimates prior to flotation of between £270m and £290m.

Of the 45m shares to be sold, 3 per cent will be bought by Gartmore directors at the offering price. Of the remainder, 14 per cent are to be placed with institutional shareholders in the UK and Europe and 5 per cent will be offered publicly.

In its prospectus, issued yesterday, Gartmore said its funds under management had risen to £18.1bn by the end of September, up £2bn in three months.

In the first nine months of this year, its funds under management have soared by 41 per cent, according to Mr Philip Gibbs, financial industry analyst at Barclays de Zoete Wedd.

By contrast, Mercury Asset Management, which is also 25



Paul Myrers: worried about changes to pensions regulation

per cent publicly owned and is the UK's largest pension fund manager, has been growing at an annual rate of 4 to 5 per cent, he said.

The surge in Gartmore's business has been driven by the pension fund consultants, who have been impressed with

its consistently above-average performance in recent years. In 1992, Gartmore's median fund outperformed the industry median by nearly 4 percentage points.

Gartmore is forecasting earnings for 1993 of 224.5m or 84p per share, and said it intended

to issue a notional net dividend for the year of 4p per share. The notional gross dividend yield will be 3 per cent.

Mr Paul Myrers, Gartmore's chairman, said that the company's earnings could be hurt if there were to be significant changes in the way pension funds were regulated.

## COMMENT

Gartmore's shares, at 20.7 times earnings, look expensive when compared to those of, say, MAM, which trades at a more modest multiple of 16.7 per cent. But the growth in Gartmore's business is staggering, and if you believe it will continue to grow at its present rate the shares look cheap. However, it is unlikely Gartmore's chief marketing edge, the superlative results of last year, will be repeated. But even average results for the next two years will still give it an impressive three-year returns picture to sell to prospective clients. The big questions for Gartmore are whether it can keep its returns up over the long haul and whether it has allowed itself to become too dependent on a single source of new business, the UK pension fund market.

## Throgmorton launches new trust

By Philip Coggan, Personal Finance Editor

A NEW investment trust from fund management group Throgmorton aims to fill the "financing gap" faced by many smaller companies. The Throgmorton Preferred Income Trust will buy preference shares issued by companies which wish to raise new capital.

Throgmorton argues that "despite the improvement in the economic outlook, it would appear that smaller companies are currently experiencing difficulties in obtaining borrowings on acceptable terms."

Raising money via an ordinary share issue on the stock market is expensive and Throgmorton believes that

issuing preference shares will be a cost-effective alternative for companies raising sums of £2m-£5m. The costs to the company of an issue will be about £50,000 compared with between £300,000 and £400,000 for a rights issue.

The trust will buy the whole of each preference issue, which will be redeemable in five to seven years. The yield on each issue will be negotiated with each company, but Throgmorton expects to receive a

substantial margin over gilts with the same maturity.

The trust will also take warrants to subscribe for about 5 per cent of each company's shares, in order to provide the prospect of capital growth.

Preference shares were traditionally a main part of the UK stock market but since the second world war the ravages of inflation have reduced their appeal to investors. There is only about £2bn of straight (non-convertible) preference shares capital outstanding.

Shares in the Throgmorton trust are being placed with institutional investors at 100p

each, and will offer a higher than average yield. Dividends will be paid twice yearly. Throgmorton hopes to raise between £30m and £80m to invest in 20 to 30 companies.

Mr David Hughes, formerly director of corporate finance at venture capital group 3i, will manage the trust. He says the money will be gradually invested over the first year.

Expenses of the issue are being restricted to 1.8 per cent (assuming the trust raises £30m). The annual management fee will be 1 per cent. The trust will be wound up after seven-and-a-half years.

## Bulmer sells pectin business for £8.5m

By Philip Rawstone

HP BULMER, the Hereford-based cider group, has sold its pectin business to Citrus Colloids, a management-led consortium, for £8.5m.

Pectin, a natural product extracted from citrus fruit peel and apples, is used as a gelling agent and stabiliser in a variety of foods and pharmaceuticals.

Bulmer, though one of the world's largest pectin producers, has decided to dispose of the business to concentrate resources on its core drinks operations.

The sale includes its UK manufacturing plant and its 50 per cent stake in Braspec-

tina, a Brazilian pectin producer.

The business, which employs 370 people, made a profit before interest of £1m on turnover of £12.5m in the year to end-April. After a long period of steady volume growth, the pectin market has been hit by worldwide recession, decreased demand from the former Soviet Union, and growing competition in the past 18 months.

However, Mr Brian Carver, managing director of the Bulmer business since 1983 and leader of the buy-out, said yesterday: "Bulmer's decision has presented us with a tremendous opportunity. We have, over several years, built up a balanced worldwide market and this, together with the

cost advantages of Braspectina, will give us a strong competitive advantage."

Citrus Colloids has been backed by 3i, the investment capital group, and Lend Lease, Bulmer's Brazilian partner, from which the management consortium is also acquiring the balance of Braspectina.

Bulmer will receive £8.5m cash on completion, subject to an adjustment based on the value of the net assets of the UK pectin operation.

A deferred consideration, equal to the fair value of 7.5 per cent of the ordinary shares in the pectin business, will become payable in cash on the sale of shares in Citrus Colloids.

## NEWS DIGEST

## 15% growth at MMT Computing

MMT COMPUTING, the USM-quoted computer systems consultant, lifted pre-tax profits by 15 per cent, from £1.5m to £1.73m, in the year to August 31.

Mr Mike Tibbott, the chairman, said that trading conditions were slowly improving, and that although margins remained under considerable pressure, the current order book was "excellent". He added that with cash balances of about £4.5m, the board was recommending a final dividend of 2.75p (2.4p), making 4p (3.5p) for the year.

Turnover on continuing operations improved from £5.22m to £7.06m. Earnings per share worked through at 9p (7.9p).

## Alphameric back in black with £178,000

A turnaround from pre-tax losses of £252,000 to a profit of £178,000 was yesterday reported by Alphameric, the information technology group, for the six months to end-September.

The recovery was achieved on a 75 per cent increase in turnover from £3.02m to £5.28m. After a minority charge of £33,000 (£3,000 credit) the retained profit for the period was £145,000 (£244,000 loss).

Earnings per share came out at 0.4p (1p losses). Mr Alan Benjamin, chairman, said that although no dividend was proposed, it was the board's intention to restore dividends as soon as it was prudent to do so.

## Lonrho buys coal interests in S Africa

Lonrho, the international trading conglomerate dominated by Mr Tiny Rowland for more than 30 years, is to acquire all the coal interests in the East-

ern Transvaal of Agip, the Italian oil and gas company, for R70m (£11.1m).

The acquisition is to be made by Duiker Exploration, Lonrho's 73 per cent controlled South African arm.

The acquisition includes two operating collieries, and additional coal reserves yet to be developed. Lonrho expects the deal to double its coal export capability to about 3m tonnes a year, through its shareholding in Richards Bay Coal Terminal.

## German Smaller net assets rise

Undiluted net asset value per ordinary share of the German Smaller Companies Investment Trust stood at 336.8p at end-September. That compared with 218.5p 12 months earlier and with 229.4p at the March 31 year-end.

Available revenue for the half year to September 30 declined from £448,000 to £303,000, equal to earnings of 1.69p (2.49p). The trust does not pay interim dividends but intends to recommend a final 2p was paid previously.

## German Investment assets improve

Net asset value per ordinary share of the German Investment Trust rose from 79.5p to 109.4p over the 12 months ended September 30. At the March 31 year-end the figure was 94.2p.

Net revenue for the six months to end-September came to £137,000 (£253,000), for earnings of 0.35p (0.65p).

## First Ireland Investment ahead

First Ireland Investment Company reported an 8.5 per cent net asset value rise in sterling terms in the six months to September 30. In Irish currency, the advance was 14.1 per cent.

Since March, 1990, when dealings in the company started, net asset value has increased by 10 per cent in sterling terms and by 11.6 per

cent in Irish pounds. The Irish Stock Exchange Index declined by 4.1 per cent over the same period.

Net asset value was 1.0614p (0.9779p at March 31) and in Irish terms 1.1111p (0.974p).

Net revenue for the six months dropped from £333,000 to £215,000, and fully diluted earnings per share came to 0.6p (0.83p).

## Rathbone acquires unit trusts

Rathbone Brothers, the quoted private client banking and asset management concern, is to acquire the management and operation of two unit trusts from Brown Shipley. They are Brown Shipley Smaller Companies Fund and the Brown Shipley Recovery Fund.

The two funds are to be renamed the Evermore Smaller Companies Fund and the Evermore Recovery Fund and Patrick Evered will continue as investment manager for both.

The funds are currently valued at £5.25m and £4.5m respectively.

## Charles Sidney allocations

The offer for shares in Charles Sidney, the Mercedes-Benz dealer, was 2.7 times subscribed with valid applications received for 27.12m shares in respect of the 10m on offer.

On October 27 last, a further 13.64m shares were placed with institutional and other investors by Panmure Gordon.

Valid applications from employees and directors of Sidney in respect of 374,850 shares were met in full. Shares have been allocated in respect of the balance as follows:

Up to 750 shares - in full; between 1,000 and 3,000 shares - 50 per cent with minimum of 750 shares; 3,500 to 12,500 - 40 per cent with minimum of 1,500 shares; 13,000 to 50,000 - 30 per cent with minimum of 5,000 shares; 50,500 to 100,000 - 20 per cent with minimum of 15,000 shares; above 100,000 - 10 per cent with minimum of 20,000 shares.

## P&amp;O enhanced scrip alternative is 565p

Peninsular and Oriental Steam Navigation Company has announced that the reference price in respect of the enhanced scrip dividend alternative is 565p.

The directors pointed out that this would result in the allotment and issue of some £33.2m nominal of new deferred stock, representing an increase of 5.9 per cent in the company's existing issued deferred stock.

## J Smart shows 38% decline to £2m

With a second half not dissimilar to the first six months, profits of J Smart & Co (Contractors) for the year to July 31 worked through at £2.04m pre-tax.

That was a 38 per cent shortfall on last time's £2.39m and was scored from a turnover some £1.2m lower at £12.8m.

Earnings emerged at 13.26p (22.08p) and a proposed final dividend of 6.2p makes an unchanged 8.5p total.

## Finsbury Trust net asset value ahead

Finsbury Trust, the investment trust which invests in special situations with the intention of adding value over the medium to longer term, had a net asset value per share of 152.1p at September 30 against 101.5p a year earlier.

For the six month period, net revenue improved to £580,000 (£485,000) for earnings of 2.4p (2p) per share.

The interim dividend is held at 1.2p.

## Correction Kitty Little

Kitty Little Group has acquired Samco, the sunglasses maker, for £2 plus the settlement of a loan not expected to exceed the sum of £250,000.

In yesterday's edition the consideration was reported as being up to £2.85m.



# WPP agrees sale of US agency for \$55.5m

The Lowe Group said that the acquisition would more than double the size of its North American operation.

Year	Number of persons (millions)
1981	52
1982	53
1983	54
1984	55
1985	56
1986	58

fees from £7.68m to £8.19m. Estimated that the aggregate value of the squad rose to £30m (£24m). Currently leads England's senior players.

For each of the last two years the businesses Glynn has sold have lost about £2m.

Towry Law reported a pre-tax profit of £2.43m (£2.07m).  
Brokers to the issue were James Capel & Co.

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## Wilson Bowden seeks £57m to acquire land

By Andrew Taylor,  
Construction Correspondent

WILSON BOWDEN yesterday became the sixth UK house-builder this year to announce a rights issue. It is raising £57.1m to buy land to take advantage of the housing market recovery.

This will take the total raised by housebuilders to £470m in the first 10 months of the year. This includes £210m from Tarmac and £104m from Wimpey. Four of the companies, Wilson Bowden, Countryside Properties, Berkeley Group and Bellway, also had rights issues in 1991.

In its latest offer, Wilson Bowden is inviting shareholders to buy one new share at 375p for every five shares already held.

The company's share price slid by 8p to 439p following the announcement.

The family interests of Mr David Wilson, chairman, which own 57.5 per cent have placed their full rights at 32.2p a share which will reduce their holdings to 49.5 per cent.

The latest offer price is only 15p less than the 1991 rights price of 360p, when the company raised £34.1m in a 1-for-7 issue.

Since then the company has raised output from 1,300 homes a year to about 1,800 homes this year. The number of housing plots it owns, available for

development, has also risen from 8,000 to more than 10,000.

Mr Wilson said that the company planned to increase output further to 2,500 homes a year by 1995-96. The rights issue cash would be used to help fund the expansion.

In particular, the company wanted "to take advantage of £30m of land buying opportunities already identified." It was becoming increasingly difficult to win planning permissions for building and therefore

Housing rights issues so far in 1993		
Company	On	Date
Wilson Bowden	57.1	Nov 4
Tarmac	215	Sept 21
Wimpey	104	June 10
Countryside	16.8	May 26
Berkeley	44.1	March 4
Bellway	33.6	Feb 18

opportunities to acquire development land should not be missed.

Mr Wilson said: "Although economic recovery in the UK remains hesitant, positive features are beginning to appear in the housing market."

The company had completed 1,471 homes in the first ten months of this year compared with 1,090 at the corresponding stage last year - a rise of 39 per cent. After allowing for first time gains from new sites the underlying volume sales improvement was probably

between 15 to 20 per cent, said Mr Wilson.

He added that new house prices had stopped falling, although they had still to start rising. The group was operating from 77 housing sites in 25 English counties and sales outside its East Midlands base now accounted for half of all housebuilding profits.

The company intends to recommend a final net dividend for 1992 of 6.65p making a total for this year of 9.2p, an increase of 6.3 per cent. The rights issue has been underwritten by Schroders and brokers are James Capel.

### COMMENT

That Wilson Bowden shareholders will most likely take up their rights on a slim 15 per cent discount to an ex-rights price of 439p illustrates the strength of a company which has consistently out-performed the sector. Its strength is its long land bank which is about to grow again. The cash call, given gearing is under 25 per cent, may be a little opportunistic but the money, as in the 1991 rights, will be used to buy assets rather than simply strengthen balance sheets as housebuilders did two years ago. Pre-tax profits this year including a £5m pension fund credit should be about £30m. The company deserves its reputation as one of the best in the sector.

## Bellway at £28m on the back of rising house sales

By Andrew Taylor,  
Construction Correspondent

PRE-TAX profits of Bellway, the north-east-based house-builder, jumped 26 per cent to £16.73m during the 12 months to the end of July.

The company was helped by a rise in sales to private house owners and to housing associations which this year have benefited from increased government aid.

Turnover rose by 13 per cent to £147.16m on the back of a record 2,399 house sales, a rise of almost a quarter on the 1,841 sold the previous year.

Mr Kenneth Bell, chairman, said the company proposed to increase its final dividend by 0.5p to 8p, in line with the forecast made when it raised £33.6m in a 3-for-7 rights issue in February. That makes a 12p (11.5p) total.

To improve the marketability of its shares Bellway is recommending that the 25p ordinary shares be split into 12.5p units "to double the number of shares in issue."

Mr Bell said operating margins during the 12 months had risen by almost a fifth, from 8.3 per cent to 9.9 per cent, reflecting the benefit of higher sales volume and also the replacement of more expensive bought land which had been acquired during the late 1980s. The company's share

price slipped 2p to 456p following the results. This compares with an issue price of 320p at the time of the rights offer.

The group intends to use its improved financial muscle - it had net cash of £44m at the end of July - to expand sales. Since the summer it has committed a further £30m on land acquisitions. The number of plots owned by the group with planning permission has risen from 5,500 since July 1991 to about 10,000 currently.

The number of sites from which the group sells has risen from about 100 to 120.

### COMMENT

Bellway, like Wilson Bowden, has used rights issue cash raised in 1991 and again this year to finance expansion. Sales are planned to rise to 4,000 a year in England and in Scotland by the mid-1990s. Any short-fall on housing association work in the current year should be more than made up in improved private sector sales as the number of sites the group operates from continues to expand. Margins are on the mend and should improve further as the housing market recovers. The balance sheet also is in good shape. Bellway deserves its premium rating with pre-tax profits likely to reach £22m to £28m in 1993-94 but its strengths are already recognised in the share price.

## More funds for Lloyd's

By Richard Lapper

SYNDICATE Capital Trust, the Lloyd's investment vehicle sponsored by Rafael Zorn Hensley, the stockbroker, yesterday became the fourth Lloyd's investment company to raise capital from institutional investors this week.

In the last two weeks institutional investors have committed more than £500m in corporate capital allowing the insurance market to underwrite an additional £1bn in insurance premiums next year. Two other trusts plan formal launches today, raising a further £20m in funds.

Rafael Zorn Hensley placed £32.5m of shares in Syndicate Capital Trust, with institutions and was seeking to raise a further £17.5m through an open offer for subscription. SCT has secured some £20m of capacity on 16 Lloyd's syndicates. The trust's capital will be managed by John Govett.

Abtrust, the Aberdeen based fund management company, expects today to publish full listing particulars for Abtrust Lloyd's Insurance Trust. A £30m placing and intermediaries offer is to be handled by Peel Hunt, the stockbroker. The trust has £20m in allocated capacity.

Dellian Lloyd's Investment Trust, sponsored by Hill Samuel, also expects to complete a placing with institutions to raise up to £50m in capital today.

Meanwhile two other trusts both published pathfinders yesterday. Nelson Lloyd's Trust, yesterday issued a pathfinder prospectus. It plans to raise £80m through a placement and offer for subscription and will provide £118m in capacity for Lloyd's syndicates.

Premium Trust and Premium Underwriting also issued a pathfinder and said it had raised its capital raising target by 10 per cent to £38m.

## Caverdale buys motor dealership

Caverdale Group, the motor and industrial consumables group, is buying JJ Leadley, a motor dealership group based in the Midlands, for a maxi-

mum £1.85m. Consideration is satisfied as to £1.5m by the issue of 10m new Caverdale ordinary at 15p each, and a maximum £150,000 in cash.

## Warning clips FNFC shares

By Alison Smith

FIRST NATIONAL Finance Corporation, the consumer credit group, said yesterday that it expected losses in its commercial lending division to be "somewhat higher" for the 12 months to October 31 than for the previous year.

The shares reacted via an 11p fall to 76p. Last time the commercial lending bank activity, FNFC, incurred a deficit of £19m. For the year just ended a loss of

between £20m and £30m is expected.

The extent of the losses is seen as the result of continuing difficulties in the property market.

Along with the appointment of a new executive vice-chairman FNFC also announced that it had decided to undertake the statement that accompanied its first half results in July that "further substantial provisions and losses" were expected in its commercial lending division and discontinued activities.

There had been concern within the company that the scale of the losses had not been fully appreciated by analysts.

Mr Tim Ingram, finance director, said the "clarification" of the earlier statement had no implications for FNFC's ability to fulfil the terms of the refinancing deal agreed in July for its £1.1bn debt owed to 107 international banks, and through which it narrowly avoided collapse.

The results for the year to October 31 1993 are due to be announced in January.

## Hambro Insurance at £3.25m

By Richard Lapper

PROFITS at Hambro Insurance Services, the insurance services company which obtained a stock market listing in March, have been dented by a fall in the number of claims handled by the group's loss adjusting subsidiary.

For the six months to September 30 pre-tax profits fell to £3.25m (£4.02m). Earnings per share fell to 3.05p (4.25p) and the interim dividend is 1.85p. Turnover in loss adjusting

increased marginally to £18.91m (£18.88m), but profits fell from £1.82m to £372,000.

The group's UK loss adjusting subsidiary, Cunningham UK, has handled an average of 4,600 claims a month, compared with 5,200 this time last year. As a result, 46 of the loss adjusting staff have been made redundant, saving the group some £700,000.

Elsewhere, turnover at Hambro Legal Protection, which operates legal advice and other telephone helplines,

increased by 17 per cent to £26.12m (£25.22m), with profits up to £2.09m (£1.62m).

The group's second hand endowment policy business also performed strongly, with turnover up 29 per cent to £6.08m (£6.28m) and profits up to £567,000 (£521,000). Profits at Berkeley Insurance, a specialist broking consultancy, were also ahead of last year, rising to £71,000 (£58,000).

Interest receivable by holding company net of overheads amounted to £146,000.

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Private Placement  
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## COMMODITIES AND AGRICULTURE

## EC lead-zinc producers ask for protection

By Kenneth Gooding, Mining Correspondent

PRESSURE IS building for the European Commission to take action to "safeguard" the Community's lead-zinc producers, who claim their survival is at risk from the strong surge in imports from the former eastern bloc countries.

Yesterday the German metals industry association added its voice to the debate. "Lead and zinc are being produced in the east under ecologically irresponsible conditions and then dumped on to EC markets. Producers here are having to shut modern, expensive and environmentally-sound plants and cut jobs," said Mr. Rudolf Gahr, president.

The German call for action came only two days after EC zinc producers agreed to work out details of a scheme to permanently close one or two smelters to bring capacity more into line with demand.

While the producers seem united over the smelter "shut-down" scheme, there is a split about whether they should urge the Commission to restrict zinc imports from the former eastern bloc.

The Commission recently placed temporary restrictions

on aluminium imports from the Commonwealth of Independent States and has started negotiations to persuade the CIS to limit exports in future. Some zinc producers are preparing a dossier in the hope that they can convince the Commission to take similar action on their behalf.

Other companies argue, however, that zinc is a commodity and restrictions on imports to the EC would have virtually no impact on the global availability of the metal.

The eastern bloc used to be a net importer of lead and zinc. But the International Lead & Zinc Study Group estimates that the region will export 140,000 tonnes of lead and 355,000 tonnes of zinc to the west this year.

Kazakhstan, a big producer, now directs lead exports to the west to earn dollars rather than to Russia where battery producers are reported to be short of what for them is an essential material.

The zinc market has been particularly hit by a reversal in Chinese trade. China imported about 300,000 tonnes a year in the mid-1980s but, after expansion of its domestic industry, now has about 100,000 tonnes to export.

## US aluminium industry looks to Clinton

Producers argue western aid should be used to encourage the CIS to cut exports, writes Kenneth Gooding

They say that President Clinton understands the economics of the aluminium industry very well. In the early 1980s, as governor of Arkansas, he pleaded with Reynolds Metals, second-largest of the US aluminium producers, not to close both the smelters in his state. But the smelters - Jones Mills and the Patterson - had been made completely uneconomic by the steep rise in energy costs and were permanently shut down in 1985 despite his pleas.

Reynolds closed two other smelters at about the same time, the San Antonio in Texas and Listerhill in Alabama, taking a total of 462,000 tonnes of high-cost US capacity out of production.

Mr. Richard Holder, now chairman of Reynolds, remembers those difficult meetings with the president-to-be. He feels sure Mr. Clinton remembers them too and this will stand the US aluminium industry in good stead in its current fight for survival and the efforts it is making to prevent itself being buried under a deluge of metal exported from the Commonwealth of Independent States.

However, the US Aluminium Association, where Mr. Holder is also currently chairman, will have to work hard to educate some of Mr. Clinton's officials in the ways of the industry before December 2, when crucial meetings with government representatives from the CIS and the western world's other big aluminium producing countries take place in Washington.

Senior aluminium industry executives have been invited to sit in at those talks as advisers to the US government. Before the December meeting the US association will put to its government a plan which will almost certainly suggest that the CIS producers be encouraged to cut output in return for financial and technical help from western countries.

Some of the aid the US is ready to give to the CIS to help smooth its path towards a mar-

US aluminium smelters

Capacity in '000 tonnes per year



Source: US Aluminium Association

Plants at which production has, or will be, curtailed in 1993. \*Closed

ket economy should be linked specifically with programmes to modernise the former Soviet Union's heavily-polluting aluminium smelters, Mr. Holder suggests.

He says that, if the industry's proposals are accepted by government officials, he would be very surprised if they did not go to the president's desk for a final decision.

There is little more the US industry can do to help itself except close a great deal more production capacity at the cost of many more jobs. US anti-trust legislation makes it virtually impossible for the country's aluminium producers to get involved in joint discussions about actions that might lead to the production cuts needed for higher prices.

This is why the US industry must rely on its government to do the talking and, if necessary, take action to stem CIS exports. Convincing the government will not be easy, given that the US places the highest priority on supporting the

political changes taking place in Russia and would not want to disturb those changes by heavy-handed action in the aluminium sector, which analysts reckon has been earning the CIS \$1m to \$1.5m a year in foreign currency.

Mr. Holder says something must be done because there has been yet another surge in CIS exports to the west this year - exports that were running at 200,000 tonnes in 1990 are likely to reach 1.6m tonnes in 1993, according to his association's estimates. This compares with western consumption of about 1.5m tonnes.

This helped to drive stocks on the London Metal Exchange to a record 2.2m tonnes and prices to their lowest-ever level in real terms, so that most smelters are not even covering their cash costs of production.

Mr. Holder says: "I believe CIS exports have cut 10 to 15 cents a lb off the aluminium price."

If the price continues to drift down to 45 cents a lb, described by some analysts as

"a crisis level", there will be big casualties and "I'm afraid that some of the companies that will suffer do not deserve to suffer."

The western industry must find a formula to persuade the CIS producers to cut exports, he suggests, and the only sure way that can be done is for output at the smelters to be reduced.

Some ideas have already been contributed by individual members of his association in response to a US government request. One suggestion is that work should begin immediately to modernise some of the CIS smelters, doing away with the outdated electrolytic technology, which would take about one-third of the capacity of each plant selected for upgrading temporarily out of production. This idea is put forward by Alcoa, a subsidiary of Amstar and the US's third-largest aluminium producer.

Alcoa says the upgrading would take five years, during

which the aluminium industry's situation would improve markedly and "thus allow for the orderly re-introduction of western markets of Russia's exportable surplus aluminium. It would be, essentially, a new, efficient and environmentally acceptable source of supply."

Alcoa suggests the first smelters to be dealt with should be the biggest and the worst polluters: those at Bratsk and Krasnoyarsk in south central Siberia. It points to a Metallgesellschaft study which indicates that these two plants alone emit more than 24 times the maximum safe levels of fluorine.

Bratsk, in the same general area, is also a prime candidate, according to Alcoa, because it is near Lake Balkai, a sensitive environmental area. The Volgograd smelter to the west should also be modernised.

The US group proposes that output at three old, highly-polluting smelters near the Kola Peninsula, on Finland's border, be cut by half but they should not be upgraded.

All this would take about 600,000 tonnes a year out of production, it calculates. "This, together with strong controls on legal and illegal markets, would improve fundamentals of the world aluminium market significantly within 18 months to two years."

The big difficulty with this approach is the cost of upgrading the smelters - up to \$60m. Alcoa says, however, these projects could be financed by government-to-government aid, supplemented by the expertise of various western aluminium producers. Repayment could be in the form of aluminium for government aid, and in either aluminium or equity shares for participating western producers.

Kaiser Aluminium, in its proposals to Mr. Mickey Kantor, the US trade representative, suggests that CIS aluminium exports be restricted to 800,000 tonnes a year - \$20,000 tonnes to pay for the CIS industry's imports of essential

raw materials and 200,000 tonnes to be held in trust in secure western warehouses. This metal would be used to pay for priority projects to improve environmental, health and safety standards.

Kantor says that because of the time taken for modernisation, on average this metal in western warehouses will be off the open market for two years from the start of each programme year.

In addition, warehouses metal could be used as collateral for money borrowed by the CIS smelters to cover part of the routine production costs of the metal held off the market. Loans could run for three or four years and would be repaid from the sale of metal remaining after payment for capital projects.

Financing could be supplied by private international banks or trading companies, more likely, provided or guaranteed by individual governments, or it could be arranged through one of the multilateral financial institutions.

Mr. Bond Evans, Alcoa president, says the western industry has cut output substantially already, in spite of the recession, because aluminium has held up remarkably well. The western market would be in balance were it not for CIS exports.

This metal is available because of the virtual collapse in domestic demand in the CIS. Mr. Evans says this makes it logical for the next production cuts to be made in the CIS, but more importantly, "it is essential to cut efficient, clean plants in the west to make way for less efficient, polluting plants in the CIS."

He suggests the logic is so compelling that the multilateral government efforts now under way will result in a legal outcome - cuts in CIS production - in a few months time. "Otherwise it will be a de facto outcome - the strong will go to the wall and the weak will survive."

## Candidates to lead FAO stress reform

By Deborah Hargreaves

THE FOOD and Agriculture Organisation, the United Nations' biggest specialised agency, meets tomorrow to choose a successor to its director-general, Mr. Edouard Saouma, who has held the post for 18 years.

Mr. Saouma's leadership and in particular the FAO's bloated administrative budget have been widely criticised. Several countries channeling aid through the FAO - particularly the Nordic countries - have withheld funds because of their lack of confidence in his leadership.

The successful candidate will have a tough job re-establishing the organisation's credibility with its sponsors and most of the nine candidates are campaigning on a reform ticket.

The election comes as the FAO is predicting a 0.5 per cent decline in world agricultural production this year. Front-runners stress their

willingsness to concentrate resources on tackling world hunger and environmental problems, while also shaking up the FAO administration.

Mr. Geoffrey Miller, who until recently headed Australia's department of primary industries and energy, wants to send more officials out to work in the field rather than in the organisation's huge Rome headquarters, where some 3,000 of the FAO's 5,280 staff are employed.

The other two leading contenders come from within the FAO's ranks. Chile's Mr. Rafael Moreno is currently assistant director-general and has gained support from most Latin American countries. He highlights the need to re-orientate the FAO's work more closely to the FAO's objectives.

Mr. Mahabir Muthoo from India has been director of the FAO's forestry operations for the past 14 years. He stresses the need to tackle hunger in Africa as a top priority.

## Retention scheme fears hit coffee price

By Deborah Hargreaves

COFFEE PRICES in London slipped by \$17 a tonne yesterday, as buyers held back supplies. Brazil has said it wants to purchase 200,000 bags of coffee, but it only picked up 1,750 in its first foray into the market on Wednesday.

Market traders say producers will have to pay higher prices for the retention scheme to succeed. Traders will be watching Brazil's moves today when it makes its next purchases.

"If the Brazilians only buy

1,750 bags again, the market will fall on Monday, but it could buy, say 50,000 bags, and we'd see a complete reversal," one trader said.

Producers are hoping they will erode stocks in consuming countries by holding back supplies. Stocks in the US - the world's largest consuming nation - have been drawn down in the past two months as the market enters the peak consumption period of the northern hemisphere's winter.

1,750 bags again, the market will fall on Monday, but it could buy, say 50,000 bags, and we'd see a complete reversal," one trader said.

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## Comex rally pushes gold to \$372.50

By Kenneth Gooding

GOLD PRICES rallied strongly yesterday and closed in London last night at \$372.50 a troy ounce, up \$8.05.

Traders said the move was started by investment funds on the New York Commodity Exchange but activity in London was negligible. The rally was helped by rumours - not widely believed - that the high-profile investor Mr. George Soros was selling

bonds and buying gold. "The bond market is weak and that is helpful to gold. But the rally was technically based and there was no fundamental news to move the market," said one dealer.

Ms. Rhona O'Connell, in a special report for stockholders of T. Moore & Co., suggests gold's price will average \$360 an ounce this year, "only 6 per cent up on 1992", but not a bad performance after hitting a low of \$336 in March. Ms. O'Con-

nell looks for an average of \$360 next year and \$420 in 1995. She suggests demand for physical gold in jewellery in the western world, after falling from 2,270 tonnes in 1992 to 2,030 tonnes this year, will recover by 1995 as the developed economies pull out of recession. Also, Russian production and exports are falling, forward selling by producers has recently been noticeably absent and she expects central bank selling to be more muted.

## WORLD COMMODITIES PRICES

## MARKET REPORT

London Metal Exchange COPPER prices were buoyed up yesterday by market talk, confirmed after the close, of a force majeure at the Ok Tedi mine in Papua New Guinea. Traders said sizeable orders came from both sides of the market during a busy afternoon session and the three-month copper closed at \$1,649.75 a tonne, up \$7.00. OK Tedi produces about 200,000 tonnes a year of copper in concentrates but has had difficulty shipping cargoes since August because of low water levels in the Fly River. "All important customers will have been aware of the situation for a while. It could

cause a bit of a squeeze on smelters, but buyers have had time to take action," said one trader. World Oil prices held much of the early this week. December futures for the world benchmark Brent Blend of crude oil traded late in London's afternoon around \$16.15 per barrel. This was down from Wednesday's closing \$16.22 but comfortably above \$15.60, the low from which the Wednesday rally began. SILVER closed in London up 17 cents at \$4.415 an ounce and PLATINUM gained \$6.35 an ounce to \$375.

Compiled from Reuters

## London Markets

BRIEF SUMMARY	
Cash oil (per barrel FOB Dec)	+ or -
Crude	\$14.45-4.50/-0.05
Brent Blend (std)	\$15.75-5.40/-0.11
Brent Blend (std)	\$16.12-5.14/-0.11
WTI (11 pm est)	\$17.35-7.25/-0.12
Oil products	
HWF (per tonne) delivery per tonne CIF	+ or -
Premium Gasoline	\$178-180/-0.5
Gas Oil	\$168-169/-1
Heavy Fuel Oil	\$95-96/-2
Naphtha	\$161-164
Producers' Average Estimates	
Other	
Gold (per troy oz)	\$372.50 +8.05
Silver (per troy oz)	\$441.50 +17.0
Platinum (per troy oz)	\$975.00 +6.35
Palladium (per troy oz)	\$1,940.00 +3.00
Copper (US Producers)	
Lead (US Producers)	\$33.50
Th. (Kaiser) Lumber (std)	\$11.95/-0.22
Th. (New York)	\$18.25/-1.75
Zinc (US Producers)	
Alumina (per tonne)	N/A
Alumina (per tonne)	N/A
Alumina (per tonne)	N/A
London daily sugar (std)	\$267.00 +2.40
London daily sugar (std)	\$267.00 +2.00
Tate and Lyle export price	\$295.00 +1.00
Betty (English seed)	\$108.51
Maize (US No. 3 yellow)	\$120.5
Wheat (US No. 2 hard)	\$160.0
Rubber (Dec)	\$1.25
Rubber (Jan)	\$1.25
Rubber (Jan)	\$1.25
Cocoa (US Producers)	\$437.50 +2.5
Palm Oil (Malaysia)	\$330.00 +7.0
Cocoa (Philippines)	\$265.00 +1.0
Soyabean (US)	\$187.00 +5.0
Cotton "A" index	\$44.50 +0.05
Wooltops (4th Super)	\$26.00 +0.2

CRUDE OIL - IPE			
Month	Close	Previous	High/Low
Dec	16.15	16.22	16.35 16.05
Jan	16.15	16.45	16.45 16.25
Feb	16.15	16.87	16.80 16.45
Mar	16.15	16.87	16.80 16.45
Apr	16.15	16.80	16.80 16.75
May	16.15	16.80	16.80 16.80
Jun	16.15	16.80	16.80 16.80
Jul	16.15	16.80	16.80 16.80
Aug	16.15	16.80	16.80 16.80
Sep	16.15	16.80	16.80 16.80
Oct	16.15	16.80	16.80 16.80
Nov	16.15	16.80	16.80 16.80
Dec	16.15	16.80	16.80 16.80
Jan	16.15	16.80	16.80 16.80
Feb	16.15	16.80	16.80 16.80
Mar	16.15	16.80	16.80 16.80
Apr	16.15	16.80	16.80 16.80
May	16.15	16.80	16.80 16.80
Jun	16.15	16.80	16.80 16.80
Jul	16.15	16.80	16.80 16.80
Aug	16.15	16.80	16.80 16.80
Sep	16.15	16.80	16.80 16.80
Oct	16.15	16.80	16.80 16.80
Nov	16.15	16.80	16.80 16.80
Dec	16.15	16.80	16.80 16.80

COFFEE - LSE			
Month	Close	Previous	High/Low
Dec	11.08	10.77	11.11 10.77
Jan	11.27	10.98	11.27 11.00
Feb	11.56	11.27	11.57 11.28
Mar	11.56	11.27	11.57 11.28
Apr	11.56	11.27	11.57 11.28
May	11.56	11.27	11.57 11.28
Jun	11.56	11.27	11.57 11.28
Jul	11.56	11.27	11.57 11.28
Aug	11.56	11.27	11.57 11.28
Sep	11.56	11.27	11.57 11.28
Oct	11.56	11.27	11.57 11.28
Nov	11.56	11.27	11.57 11.28
Dec	11.56	11.27	11.57 11.28
Jan	11.56	11.27	11.57 11.28
Feb	11.56	11.27	11.57 11.28
Mar	11.56	11.27	11.57 11.28
Apr	11.56	11.27	11.57 11.28
May	11.56	11.27	11.57 11.28
Jun	11.56	11.27	11.57 11.28
Jul	11.56	11.27	11.57 11.28
Aug	11.56	11.27	11.57 11.28
Sep	11.56	11.27	11.57 11.28
Oct	11.56	11.27	11.57 11.28
Nov	11.56	11.27	11.57 11.28
Dec	11.56	11.27	11.57 11.28

LONDON METAL EXCHANGE			
Month	Close	Previous	High/Low
Dec	16.15	16.22	16.35 16.05
Jan	16.15	16.45	16.45 16.25
Feb	16.15	16.87	16.80 16.45
Mar	16.15	16.87	16.80 16.45
Apr	16.15	16.80	16.80 16.75
May	16.15	16.80	16.80 16.80
Jun	16.15	16.80	16.80 16.80
Jul	16.15	16.80	16.80 16.80
Aug	16.15	16.80	16.80 16.80
Sep	16.15	16.80	16.80 16.80
Oct	16.15	16.80	16.80 16.80
Nov	16.15	16.80	16.80 16.80
Dec	16.15	16.80	16.80 16.80
Jan	16.15	16.80	16.80 16.80
Feb	16.15	16.80	16.80 16.80
Mar	16.15	16.80	16.80 16.80
Apr	16.15	16.80	16.80 16.80
May	16.15	16.80	16.80 16.80
Jun	16.15	16.80	16.80 16.80



# FT-SE 100 Index driven below 3,150

By Steve Thompson

A WORLDWIDE decline in equity markets engulfed a UK stock market regarded by many observers as overvalued and drove share prices sharply lower yesterday. However, a rally, prompted mainly by a relatively steady opening on Wall Street, left the London market, well above its lowest levels by the close of trading. Dealers said London had been upset by fears that a move to renege US funds could follow a shift to tighter monetary policy in the US.

Helping the market kick against big losses throughout Continental Europe was an excellent set of third quarter figures from British Petroleum, triggering an all round good performance from the rest of the all-important oil sector. The FT-SE 100 share index ended a volatile session a net 13.3 lower at 3,149.0, while the FT-SE Mid 250 index moved in tandem, closing 18.9 off at 3,500.4.

Big falls in the world's most important stock markets overnight and early yesterday set the tone for what was always going to be a difficult trading session in London. Wall Street retreated sharply from its record high level, troubled by another sizeable decline in US bonds which in turn triggered a flurry of selling pressure in US equities.

Far eastern markets took their cue from the US with the Nikkei sliding 430 points on the Tokyo stock exchange and Hong Kong's Hang Seng - a weak market in recent sessions - losing 147 points.

The FT-SE 100 share index began the session almost twenty points lower and staged a minor rally during the first hour of trading, picking up to show a 5 point decline before

coming under another bout of downside pressure. This drove the 100 index down to the day's low point of 3,133.9 in mid-morning.

Wall Street's better-than-expected opened helped UK prices stabilise towards the close, although dealers noted signs of more selling pressure building up during the last 30 minutes of trading when one of the leading UK market-making

firms was thought to have executed a substantial sell programme, including big blocks of telecom and financial stocks.

Turnover yesterday reached a heavy 784.1m shares, well above the levels seen earlier this week. The value of customer business transacted on Wednesday was £12.9bn.

Senior traders in London agreed that London had performed exceptionally well yesterday in face of the big falls across the world's markets. All of them, however, voiced caution about Wall Street's vulnerability. "If Wall Street holds or closes up on the session we should be OK, but if it wobbles and goes down then we will test the downside levels," was the view of one head of marketmaking although he said he still felt comfortable with the market.

A weaker of important trading statements from some of the UK market's leading companies plus a number of big moves around the sectors kept dealers busy. BP, the oil group, unveiled and shunned by UK domestic institutions just over a year ago when it cut its quarterly dividend payment, extended its recent outstanding performance after releasing third quarter numbers well in excess of market forecasts, pulling other oil stocks with it.

On the other hand, BT put the big income funds by putting a question mark over future dividend growth and its shares dipped accordingly.

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## FT-SE Actuaries Share Indices

FT-SE 100 3149.0 -13.3

FT-SE MID 250 3500.4 -18.9

FT-A ALL-SHARE 1554.54 -6.65

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
3149.0	3500.4	1554.54
-13.3	-18.9	-6.65

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
3149.0	3500.4	1554.54
-13.3	-18.9	-6.65

## Hourly movements

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
3149.0	3500.4	1554.54
-13.3	-18.9	-6.65

## FT-SE Actuaries 350 Industry Baskets

Industry	Open	High	Low	Close	Previous	Change
Chemicals	2001.4	2001.4	2001.4	2001.4	2001.4	-14.7
Electronics	1107.8	1107.8	1107.8	1107.8	1107.8	-11.5
Food	1584.3	1584.3	1584.3	1584.3	1584.3	-22.7
Health	2001.4	2001.4	2001.4	2001.4	2001.4	-14.7

Additional information on the FT-SE Actuaries Share Indices is published in Saturday Index. List of constituents are available from the Financial Times Limited, One European Square, London EC1A 3BE. The FT-SE Actuaries Share Indices are published in the Financial Times and are available on the FT-SE Actuaries Share Indices website.

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## Waters upset by Ofwat

WATER shares moved erratically after the much-awaited report from Ofwat, the regulatory body, over the industry's future pricing policies. Although the rate of return that will be allowed after 1996 was considered disappointing by some water specialists, there were other elements of the report which were thought to be more positive.

The fact that there is to be no clawback of previous revenues, as had been feared by some, gave the shares an initial spur as the Ofwat announcement was made to the market. Analysts also registered some satisfaction over the length of time allowed for in covering the companies and Ofwat target rate of returns.

However, the shares began slipping back as analysts dissected the detail of the report. There was also a rumour - not helped by the fact that brokers received the couriered report at different times - that Ofwat was planning to control the rate of dividend increase. This was not the case, but the weight of the report did force the water companies to consider that the water companies faced a new and tougher environment.

Recommending an "underweight" investment position, Ms Angela Whelan at BZW said: "The gloom days for the water stocks are over. Their attractions are diminishing."

## NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (1993): AMERICAN (1) Times, Sep 28, 1993. AMERICAN (2) Sun & Sentinel, Sep 28, 1993. AMERICAN (3) Sun & Sentinel, Sep 28, 1993. AMERICAN (4) Sun & Sentinel, Sep 28, 1993. AMERICAN (5) Sun & Sentinel, Sep 28, 1993. AMERICAN (6) Sun & Sentinel, Sep 28, 1993. AMERICAN (7) Sun & Sentinel, Sep 28, 1993. AMERICAN (8) Sun & Sentinel, Sep 28, 1993. AMERICAN (9) Sun & Sentinel, Sep 28, 1993. AMERICAN (10) Sun & Sentinel, Sep 28, 1993. AMERICAN (11) Sun & Sentinel, Sep 28, 1993. AMERICAN (12) Sun & Sentinel, Sep 28, 1993. AMERICAN (13) Sun & Sentinel, Sep 28, 1993. AMERICAN (14) Sun & Sentinel, Sep 28, 1993. AMERICAN (15) Sun & Sentinel, Sep 28, 1993. AMERICAN (16) Sun & Sentinel, Sep 28, 1993. AMERICAN (17) Sun & Sentinel, Sep 28, 1993. AMERICAN (18) Sun & Sentinel, Sep 28, 1993. AMERICAN (19) Sun & Sentinel, Sep 28, 1993. AMERICAN (20) Sun & Sentinel, Sep 28, 1993. AMERICAN (21) Sun & Sentinel, Sep 28, 1993. AMERICAN (22) Sun & Sentinel, Sep 28, 1993. 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**INVESTMENT TRUSTS - Cont.**

<p><b>ADVERTISING</b></p> <p>Advertising agencies, publishers, and other firms are listed with their contact information and services. This section includes details about various advertising campaigns and the companies responsible for them.</p>	<p><b>AGRICULTURE</b></p> <p>Companies and products related to agriculture, including fertilizers, pesticides, and farm equipment. This section provides information on the latest agricultural technologies and services available.</p>	<p><b>AMUSEMENTS</b></p> <p>Entertainment venues, theaters, and performance groups are listed. This section includes details about upcoming shows, ticket prices, and the locations of various entertainment venues.</p>	<p><b>ARTS &amp; CRAFTS</b></p> <p>Artists, galleries, and craft fairs are listed. This section provides information about local art scenes, galleries, and opportunities to purchase handmade crafts.</p>	<p><b>BEVERAGES</b></p> <p>Breweries, wineries, and beverage distributors are listed. This section includes details about local beer and wine production, as well as the companies that distribute these products.</p>	<p><b>BIBLIOGRAPHY</b></p> <p>Books, authors, and publishers are listed. This section provides information about new book releases, authors, and the publishers that bring these works to the market.</p>
<p><b>BANKS</b></p> <p>Financial institutions, banks, and credit unions are listed. This section includes details about the services offered by these institutions, their locations, and their contact information.</p>	<p><b>CANADIANS</b></p> <p>Companies and products specifically related to Canada are listed. This section provides information about Canadian-made goods and services, as well as the companies that produce them.</p>	<p><b>CHEMICALS</b></p> <p>Chemical manufacturers and suppliers are listed. This section includes details about various chemical products, their uses, and the companies that manufacture and supply them.</p>	<p><b>CONGLOMERATES</b></p> <p>Large corporations and conglomerates are listed. This section provides information about the diverse range of businesses and industries that these large companies encompass.</p>	<p><b>CONTRACTING &amp; CONSTRUCTION</b></p> <p>Construction firms, contractors, and building companies are listed. This section includes details about construction services, projects, and the companies that undertake them.</p>	<p><b>ENGINEERING - AEROSPACE</b></p> <p>Aerospace engineering firms and companies are listed. This section provides information about aerospace technology, research, and the companies involved in this field.</p>
<p><b>ENGINEERING - GENERAL</b></p> <p>General engineering firms and companies are listed. This section includes details about various engineering services, projects, and the companies that provide them.</p>	<p><b>FOOD MANUFACTURING</b></p> <p>Food processing and manufacturing companies are listed. This section provides information about food products, manufacturing processes, and the companies that produce them.</p>	<p><b>FOOD RETAILING</b></p> <p>Food retailers, grocery stores, and food service companies are listed. This section includes details about food retail operations, products, and the companies that manage them.</p>	<p><b>HEALTH &amp; HOUSEHOLD</b></p> <p>Healthcare and household product companies are listed. This section provides information about health products, household goods, and the companies that manufacture and distribute them.</p>	<p><b>INSURANCE BROKERS</b></p> <p>Insurance brokers and agencies are listed. This section includes details about insurance services, policies, and the companies that provide them.</p>	<p><b>INSURANCE COMPOSITE</b></p> <p>Composite insurance companies and agencies are listed. This section provides information about composite insurance services and the companies that offer them.</p>
<p><b>INSURANCE LIFE</b></p> <p>Life insurance companies and agencies are listed. This section includes details about life insurance policies, services, and the companies that provide them.</p>	<p><b>INVESTMENT TRUSTS</b></p> <p>Investment trusts and financial services companies are listed. This section provides information about investment opportunities, trusts, and the companies that manage them.</p>	<p><b>LABORATORY</b></p> <p>Laboratory equipment and service companies are listed. This section includes details about laboratory supplies, equipment, and the companies that provide them.</p>	<p><b>MANUFACTURING - METALS</b></p> <p>Metals manufacturing and processing companies are listed. This section provides information about metal products, manufacturing processes, and the companies that produce them.</p>	<p><b>MANUFACTURING - NON-METALS</b></p> <p>Non-metal manufacturing and processing companies are listed. This section includes details about non-metal products, manufacturing processes, and the companies that produce them.</p>	<p><b>MANUFACTURING - PLASTICS</b></p> <p>Plastics manufacturing and processing companies are listed. This section provides information about plastic products, manufacturing processes, and the companies that produce them.</p>
<p><b>MANUFACTURING - RUBBER</b></p> <p>Rubber manufacturing and processing companies are listed. This section includes details about rubber products, manufacturing processes, and the companies that produce them.</p>	<p><b>MANUFACTURING - TEXTILES</b></p> <p>Textile manufacturing and processing companies are listed. This section provides information about textile products, manufacturing processes, and the companies that produce them.</p>	<p><b>MANUFACTURING - WOOD</b></p> <p>Wood manufacturing and processing companies are listed. This section includes details about wood products, manufacturing processes, and the companies that produce them.</p>	<p><b>MANUFACTURING - OTHER</b></p> <p>Other manufacturing and processing companies are listed. This section provides information about various manufacturing products and the companies that produce them.</p>	<p><b>PHARMACEUTICALS</b></p> <p>Pharmaceutical companies and drug manufacturers are listed. This section includes details about pharmaceutical products, research, and the companies that develop and produce them.</p>	<p><b>RECREATION</b></p> <p>Recreation and leisure companies are listed. This section provides information about recreational activities, leisure products, and the companies that provide them.</p>
<p><b>RETAIL - FOOD</b></p> <p>Food retail companies and grocery stores are listed. This section includes details about food retail operations, products, and the companies that manage them.</p>	<p><b>RETAIL - NON-FOOD</b></p> <p>Non-food retail companies and stores are listed. This section provides information about non-food retail products, services, and the companies that provide them.</p>	<p><b>RETAIL - SPECIALTY</b></p> <p>Specialty retail companies and stores are listed. This section includes details about specialty retail products, services, and the companies that provide them.</p>	<p><b>RETAIL - SERVICES</b></p> <p>Retail service companies and businesses are listed. This section provides information about retail services, products, and the companies that provide them.</p>	<p><b>RETAIL - TRAVEL</b></p> <p>Travel and tourism companies are listed. This section includes details about travel services, packages, and the companies that provide them.</p>	<p><b>RETAIL - VEHICLES</b></p> <p>Vehicle retail companies and dealerships are listed. This section provides information about vehicle retail operations, products, and the companies that manage them.</p>



**STORES - Cont****MERCHANT BANK<sup>®</sup>**

## Oil & Gas - Cont

**PACKAGING, PAPER & PRINTING - Cont.**

**STORES - Cont****MINES - Cont.**[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (877) 678-4378 for more details.

[illegible]

Company Name		Capital	Assets	Liabilities	Net Worth
1	ABC Corporation	1000000	1200000	200000	1000000
2	DEF Limited	500000	600000	100000	500000
3	GHI Inc.	750000	850000	100000	750000
4	JKL Co.	300000	350000	50000	300000
5	MNO Enterprises	1500000	1800000	300000	1500000
6	PQR Group	200000	250000	50000	200000
7	STU Partners	400000	450000	50000	400000
8	VWX LLC	600000	700000	100000	600000
9	YZA Corporation	900000	1100000	200000	900000
10	BCD Limited	1100000	1300000	200000	1100000
11	EFG Inc.	800000	950000	150000	800000
12	HIJ Co.	250000	300000	50000	250000
13	KLM Enterprises	1800000	2100000	300000	1800000
14	NOP Group	350000	400000	50000	350000
15	QRS Partners	550000	650000	100000	550000
16	TUV LLC	700000	800000	100000	700000
17	WXY Corporation	1200000	1400000	200000	1200000
18	ZAB Limited	1400000	1600000	200000	1400000
19	ACD Inc.	950000	1150000	200000	950000
20	DEF Co.	320000	370000	50000	320000
21	GHI Enterprises	1600000	1900000	300000	1600000
22	JKL Group	450000	500000	50000	450000
23	MNO Partners	650000	750000	100000	650000
24	PQR LLC	850000	1000000	150000	850000
25	STU Corporation	1300000	1500000	200000	1300000
26	VWX Limited	1500000	1700000	200000	1500000
27	YZA Inc.	1000000	1200000	200000	1000000
28	BCD Co.	380000	430000	50000	380000
29	EFG Enterprises	1700000	2000000	300000	1700000
30	HIJ Group	480000	530000	50000	480000
31	KLM Partners	680000	780000	100000	680000
32	NOP LLC	880000	1050000	170000	880000
33	QRS Corporation	1400000	1650000	250000	1400000
34	TUV Limited	1600000	1850000	250000	1600000
35	WXY Inc.	1100000	1350000	250000	1100000
36	ZAB Co.	420000	470000	50000	420000
37	ACD Enterprises	1800000	2150000	350000	1800000
38	DEF Group	520000	570000	50000	520000
39	GHI Partners	720000	820000	100000	720000
40	JKL LLC	920000	1100000	180000	920000
41	MNO Corporation	1500000	1750000	250000	1500000
42	PQR Limited	1700000	1950000	250000	1700000
43	STU Inc.	1200000	1450000	250000	1200000
44	VWX Co.	400000	450000	50000	400000
45	YZA Enterprises	1900000	2250000	350000	1900000
46	BCD Group	550000	600000	50000	550000
47	EFG Partners	750000	850000	100000	750000
48	HIJ LLC	950000	1150000	200000	950000
49	KLM Corporation	1600000	1850000	250000	1600000
50	NOP Limited	1800000	2050000	250000	1800000
51	QRS Inc.	1300000	1550000	250000	1300000
52	TUV Co.	450000	500000	50000	450000
53	WXY Enterprises	2000000	2350000	350000	2000000
54	ZAB Group	600000	650000	50000	600000
55	ACD Partners	800000	900000	100000	800000
56	DEF LLC	1000000	1200000	200000	1000000

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## CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGE

## Dollar rises ahead of jobs data

THE DOLLAR picked up against the D-Mark and Japanese yen yesterday as banks fine-tuned their strategic currency positions ahead of today's all-important US employment figures, writes Peter John.

Most economists expect the October figure for all employment except agriculture to rise by between 145,000 and 175,000. If the rise is significantly higher, say around 200,000, that could help the dollar break through its recent range against the D-Mark.

However, according to Mr Adrian Cunningham, economist with UBS, any strength in the US currency yesterday had little to do with a shift in fundamental investor perception. "The dollar perked up a bit on the latest data for jobless claims and factory goods orders but it was really a reflection of day-to-day interbank movements."

In Tokyo, the dollar was caught in tight ranges against the yen and D-Mark, held in by mild short-covering on one side and interbank offers on the other.

However, a 430-point fall in the Nikkei stock index underlined the worries over the Japanese economy and fuelled

calls for a further reduction in interest rates from their already low level of 1.75 per cent. In Europe, the dollar closed at ¥108.30, up from ¥107.25 previously. Against the D-Mark, it rose to DM1.6960 from DM1.6890.

Its movement against the German currency was also underscored by D-Mark weakness. Following changes to the European exchange rate mechanism at the beginning of August, the importance of Germany as a financial anchor has diminished and investors have been selling the currency.

Dealers added that fund managers with a calendar year end were already beginning to balance their books and take profits after a volatile year in the foreign exchange market.

The decision by the German Bundesbank to leave its discount and Lombard rates unchanged at 5.75 per cent and 6.75 per cent was already factored into investors' calculations.

and had no apparent effect on the currency. The D-Mark was soft against the Danish krone in spite of the possible impact of Wednesday's cut in the Danish discount rate. It also gave up earlier gains against the French and Belgian francs.

It even failed to make significant inroads against the Italian Lira, overshadowed by a corruption scandal, and only rose to L966.80 from L965.30. Late on Wednesday the Italian president, Mr Oscar Luigi Scalfaro, made a surprise address on television denying involvement in illegal activities.

Sterling continued its recent trend of weakness against the dollar and firmness against the D-Mark as the debate over whether interest rates will or will not fall maintained the stage. Against the dollar, the pound closed at \$1.4785, down from \$1.4805. Against the D-Mark it ended at DM2.51, up from DM2.5075.

## EBS EUROPEAN CURRENCY UNIT RATES

Currency	Unit	Rate	% Change
Deutsch Mark	100	1.6960	+0.0070
French Franc	100	6.5595	+0.0005
Italian Lira	1,000	966.80	+1.50
Spanish Peseta	166.67	166.67	+0.00
Swiss Franc	100	1.4800	+0.0000
Belgian Franc	100	36.3636	+0.0000
Dutch Guilder	100	2.3636	+0.0000
Austrian Schilling	13.7603	13.7603	+0.0000

Source: Reuters. All rates are for 100 units of the foreign currency against 1 unit of the US dollar.

Forward premiums and discounts apply to the US dollar.

## C IN NEW YORK

Index	Nov 4	Nov 3	Nov 4	Nov 3
Dow Jones	2,850.12	2,848.12	2,850.12	2,848.12
S&P 500	225.12	224.12	225.12	224.12
Nikkei 225	14,300.00	14,200.00	14,300.00	14,200.00

## STERLING INDEX

Index	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## CURRENCY RATES

Currency	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## CURRENCY MOVEMENTS

Currency	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## OTHER CURRENCIES

Currency	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## FINANCIAL FUTURES AND OPTIONS

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## LONDON (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## NEW YORK (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## CHICAGO (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## JAPANESE YEN (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH EURO DOLLAR (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH POUND (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH SWISS FRANC (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH AUSTRALIAN DOLLAR (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH NEW ZEALAND DOLLAR (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH SINGAPORE DOLLAR (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH HONG KONG DOLLAR (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH TAIWAN DOLLAR (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH SOUTH AFRICAN RAND (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH INDIAN RUPEE (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH PAKISTANI RUPEE (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH BANGLADESHI TAKA (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH SRI LANKAN RUPEE (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH NEPALESE RUPEE (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH BHUTANESE NGULTRON (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH MALAYSIAN RINGGIT (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH THAI BATH (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## THREE-MONTH VIETNAMESE DONG (FUTURES)

Contract	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## MONEY MARKET FUNDS

## Money Market Trust Funds

Fund	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Bank Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Certificate Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Deposit Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Savings Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Investment Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Insurance Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075
Yen	108.30	107.25	108.30	107.25

## Money Market Pension Accounts

Bank	Nov 4	Nov 3	Nov 4	Nov 3
US Dollar	1.4785	1.4805	1.4785	1.4805
DM	2.5100	2.5075	2.5100	2.5075



## WORLD STOCK MARKETS

[illegible][illegible]

NEW YORK DOW JONES										INDICES									
Nov 3	Nov 2	Nov 1	Oct 31	1993				Nov 3	Nov 2	Nov 1	Oct 31	1993				Nov 3	Nov 2	Nov 1	Oct 31
				HIGH	LOW	HIGH	LOW					HIGH	LOW	HIGH	LOW				
Industrial	3891.27	3897.84	3892.61	3890.59	3897.84	3871.85	3877.44	3897.84	3871.85	3877.44	3871.85	3897.84	3871.85	3877.44	3871.85	3897.84	3871.85	3877.44	3871.85
Energy S&P	108.14	108.28	108.28	108.22	108.28	108.22	108.28	108.28	108.22	108.28	108.22	108.28	108.22	108.28	108.22	108.28	108.22	108.28	108.22
Transport	1724.08	1726.40	1724.24	1727.67	1724.24	1727.67	1724.24	1727.67	1724.24	1727.67	1724.24	1727.67	1724.24	1727.67	1724.24	1727.67	1724.24	1727.67	1724.24
Utilities	231.85	232.87	241.17	241.17	232.87	241.17	232.87	241.17	232.87	241.17	232.87	241.17	232.87	241.17	232.87	241.17	232.87	241.17	232.87
D. Ind. Divs. High 1074.08 (727.78) Low 1074.08 (727.78)										D. Ind. Divs. High 1074.08 (727.78) Low 1074.08 (727.78)									
Days 1993-94 672.00 (727.78) Low 1993-94 672.00 (727.78)										Days 1993-94 672.00 (727.78) Low 1993-94 672.00 (727.78)									
Commodities	463.82	464.44	464.10	467.84	463.82	464.44	464.10	467.84	463.82	464.44	464.10	467.84	463.82	464.44	464.10	467.84	463.82	464.44	464.10
Metals	538.80	537.80	537.80	538.80	538.80	537.80	537.80	538.80	538.80	537.80	537.80	538.80	538.80	537.80	537.80	538.80	538.80	537.80	537.80
Grains	44.84	44.84	44.84	45.12	44.84	45.12	44.84	45.12	44.84	45.12	44.84	45.12	44.84	45.12	44.84	45.12	44.84	45.12	44.84
Oil	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80	38.80
Stocks	467.70	468.28	468.27	467.44	467.70	468.28	468.27	467.44	467.70	468.28	468.27	467.44	467.70	468.28	468.27	467.44	467.70	468.28	468.27
Composite	772.88	768.88	762.77	773.26	772.88	768.88	762.77	773.26	772.88	768.88	762.77	773.26	772.88	768.88	762.77	773.26	772.88	768.88	762.77
Oct 29										Oct 29									
Industrial Div. Yield	2.77					2.81						2.81							
Oct 27										Oct 27									
Industrial Div. Yield	2.42					2.47						2.47							
Ind. P/E Ratio	28.51					28.40						28.40							
NEW YORK ACTIVE STOCKS										NEW YORK ACTIVE STOCKS									

[illegible]

COUNTRY				TRADING ACTIVITY			
Stocks	Traded	Price	Change	Volume	Millions	Nov 1	Nov 1
Canada	7,705,860	32%	+ 1	Nov 3	3	Nov 1	
USA	814,620	30%	- 1	Nov 3	304,738	285,567	
UK	3,294,400	30%	- 1	Nov 3	22,407	20,351	18,284
France	4,553,300	29%	- 1	Nov 3	348,807	255,865	275,175
Germany	4,359,800	29%	- 1	Nov 3			
Japan	3,690,600	29%	- 1	Nov 3			
Italy	3,657,700	29%	- 1	Nov 3	2,681	2,683	2,654
Spain	2,820,600	29%	- 1	Nov 3	182	182	182
Sweden	2,671,000	29%	- 1	Nov 3	1,518	1,518	1,476
Switzerland	2,645,500	29%	- 1	Nov 3	1,518	1,518	1,476
Belgium	2,625,000	29%	- 1	Nov 3	980	834	818
Netherlands	2,625,000	29%	- 1	Nov 3	89	113	129
Australia	2,625,000	29%	- 1	Nov 3	60	31	19
South Africa				Nov 3			
India				Nov 3			
China				Nov 3			
South Korea				Nov 3			
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South Korea				Nov 3			
Japan				Nov 3			
Philippines				Nov 3			

Stocks	Closing Prices	Change on day	Stocks	Closing Prices	Change on day
Nippon Steel	3,711	+1	Nippon Oil	2,221	+2
Burimatsu Ind Ind	3,711	+1	Mitsubishi Heavy	2,221	+2
Kawasaki Steel	3,711	+1	Sanyo Electric	2,221	+2
Kanagawa Ind	3,711	+1	Hiroshi	2,221	+2
Mitsubishi Ind	3,711	+1	Komatsu Ltd	2,221	+2
Tochiba Corp	3,711	+1			

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**NASDAQ NATIONAL MARKET**[illegible]

5 583	94 <sub>8</sub>	94 <sub>8</sub>	6
283106	291 <sub>2</sub>	291 <sub>4</sub>	
8 1798	7 <sub>8</sub>	7 <sub>8</sub>	1
35 3797	67	61 <sub>3</sub>	6

Zachon Co	0.01	6	790	11	105	-0.1
Tetra Tech	80	128	778	74	74	-0.1
Tevens/ICI	35	1477	374	25	213	-0.1
Thru-Care	175091	32	30	30	30	-1.0
T.I. Inc.	0.44	42	2760	283	272	-0.2
Tokes Ind.	7	1202	61	74	61	-0.1
Yokoyama	0.37	38	8	60	60	-0.1
Yam Brown	59	780	144	139	14	-0.1
Yapco Co	0.58	42	1467	61	74	-0.1
YPI Enter	887	5888	104	94	94	-0.1
Transmed	13	62	143	144	144	-0.1
Transwest	0.81	11	654	40	40	-0.1
Tricare	29	186	3	3	3	-0.1
Trinoble	82	31	104	94	10	-0.1
Transmatic	1.02	85	40	40	40	-0.1
Tanning Lab	18	954	103	103	103	+0.1
TysFDA	0.04	17	1000	223	223	-0.1

- U -

US Helco	0.64	3120	17	53	512	-0.1
Unihub	2	663	8	5	8	-0.1
USGenda	0.88	13	112	182	182	-0.1
US Int	1.88	13	31	30	30	-0.1
United St	0.40	13	125	15	147	-1.5
Unisep	0.20	18	101	224	22	-0.2
Uschem	1.40	16	783	414	403	-0.1
US Bancp	0.68	10	4616	243	233	-1.2
US Ensign	95	82	4	4	4	+0.1
USF Corp	0.22	9	242	11	11	-0.1
Usra Inc	17	183	104	104	104	-0.1
Unit Helco	8	35	382	372	372	-0.1
Unit	13	186	34	34	34	-0.1

- V -

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Perrier battle ends with something for everyone

**FINANCIAL TIMES**  
Perrier battle ends with something for everyone



## AMERICA

## Bond market worries keep Dow depressed

## Wall Street

US STOCK markets settled down yesterday after Wednesday's big sell-off, but with investor sentiment subdued and bond yields rising, prices traded mostly weaker across the board, writes Patrick Harverton in New York.

At 1 pm, the Dow Jones Industrial Average was down 5.03 at 3,656.84. The more broadly based Standard & Poor's 500 was down 1.51 at 461.51, while the Amex composite was 1.30 lower at 480.40, and the Nasdaq composite down 5.36 at 767.59. Trading volume on the NYSE was 182m shares by 1 pm.

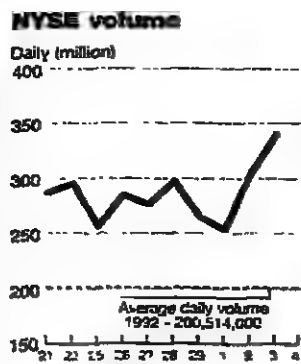
Wednesday's big declines - the Dow fell by 36 points and the Nasdaq composite by 12 points, or 1.5 per cent - were prompted primarily by concern about rising long-term interest rates.

The bond market has declined sharply in recent days, pushing up longer-term yields, because fixed-income investors are worried that resurgent economic growth could eventually lead to higher inflation and tighter monetary policy.

Those worries were again

evident yesterday, with the 30-year bond posting fresh declines and the yield rising to 6.12 per cent.

Investor sentiment was sufficiently weak that the markets ignored the news that jobless claims fell by 10,000 in the final week of last month, a figure which suggests that today's



all-important October employment report will show continued growth in non-farm payrolls.

Bank stocks, which have taken a hammering recently because of rising bond yields, were mixed.

Chemical fell 5% to \$39, and

Chase Manhattan eased 3% to \$31, but Citicorp rose 4% to \$35, and JP Morgan added 5% to \$70.

Retailers were also mixed following an inconsistent batch of sales data. Gap Stores, where sales dropped slightly last month, fell 3% to \$25. Sears, Roebuck added 2% to \$35, while the Limited eased 2% to \$20, and JC Penney held firm at \$60.

Cyclical stocks rebounded from recent weakness. Minnesota Mining & Manufacturing rose 3% to \$104. Aluminum Company of America added 2% to \$67. Caterpillar added 3% to \$91 and Allied-Signal put up 4% to \$71.

On the Nasdaq market, technology stocks were lower. Intel fell 1% to \$59. Microsoft slipped 1% to \$78 and Apple gave up 3% to \$31.

## Canada

TORONTO edged marginally ahead at noon, with the TSE 300 index 3.98 higher at 4,248.72 in volume of 40m shares.

Among actively traded issues, Inco shed 2% to \$28, Alcan eased 3% to \$28, and Lac Minerals rose 3% to \$29.

## Foreign investment draws US converts

Bessemer Trust finds attraction in emerging markets, writes William Cochrane

John Trott invests big bucks in international equities for the rich and famous, most of them American. He has nothing in Japan and nothing in German manufacturing industry, but he exemplifies the US conversion to foreign portfolio investment, and to emerging markets in particular.

Mr Trott manages, from London, the \$1bn international component of the US-based Bessemer Trust, which has \$8.5bn under direct management and numbers Mr George Bush, the former US president, among its clients. Mr Trott says that expectations in Japan and Germany for the next five years are just too high.

Bessemer was founded in 1906 by Mr Henry Phipps, one of Andrew Carnegie's partners in the development of the US steel industry, to manage Phipps family money. The name marks the process of converting molten pig iron into steel which the Carnegie investment licensed from Sir Henry Bessemer, the British metallurgist, who invented the process.

The group recommends to its clients that 40 per cent of their equity investment funds go into international markets. The international fund itself

has about 40 per cent of its money in emerging markets, although these account for not much more than 5 per cent of EAFE (Morgan Stanley Capital International's Europe, Australia and Far East index, a standard measure for US investors active overseas).

John Trott came to Bessemer at the beginning of 1992, extending a trend which began in 1975 when Mr John Whitmore, now chairman of Bessemer, joined. One reason for Mr Whitmore's recruitment was to widen the trust's client base, outside investors' money is now important in the overall scheme of things.

Mr Trott came in from Kleinwort Benson, which formerly managed the international fund, to increase further the international presence of the group. When he joined, Bessemer had \$800m in non-US securities, he has lifted that to just over \$1bn in less than two years.

Emerging markets, says Mr Trott, are at much the same stage now as Japan was in the 1960s, when it put up its best equity performance: what it had included a growing economy, the work ethic, a strong currency, relatively undervalued equities and a government



John Trott keen on Hong Kong, bullish on Japan

which provided the framework for economic growth.

Bessemer will not put more than 10 per cent of the international fund into any one emerging market. It does, however, have 10 per cent in Hong Kong, which is not classified traditionally as an emerging market, although Mr Trott thinks that the colony recently has behaved like one, and that it will do so in future.

He is keen on Hong Kong, from which, he says, the wealth of China will initially flow to the outside world. China's nascent mainland markets

in Shanghai and Shenzhen will develop, he says, but at this stage they are relatively illiquid. He does not think Hong Kong is as potentially volatile as Mr Peter Everington, managing director of Regent Fund Management, indicated recently.

In effect, Mr Everington said the Hang Seng index, which peaked at 9,642.91 this week, up by more than 25 per cent since the end of September, could hit 12,000 soon on the tremendous inflow of US funds into the colony, or fall to 5,000 in relatively short order on a more bearish assessment which includes the future of the Hong Kong dollar-US dollar peg.

Bessemer is bullish on Japan. Mr Trott estimates that the Tokyo market is on a p/e ratio of around 85, and says its supporters tell their friends to look at prospective earnings: if these get back to the peak returns of the late 1980s, they say, the p/e would cut to a third of its present level.

That, says Mr Trott, would still be 28; and in any case, he argues, there is no way that the Japanese corporate sector will get back to those exceptional rates of return, which came from an undervalued

yen, economic growth and a cost of capital which virtually came down to nil. In addition, he does not like the apparent public funds support for the market.

Bessemer has been out of Japan for the past six months. This may look silly, given that the FT-Actuaries index, in dollar terms, shows Japan with a gain of 40 per cent over the year to date, 19 percentage points of that advance coming from the appreciation of the yen against the dollar.

But, says Mr Trott, in the 12 months to September 30 last, Bessemer's international fund shows a gain of 25 per cent against the EAFE benchmark figure of 28 per cent. Within the EAFE figure, he notes, the Japan weighting was 50 per cent.

While Bessemer looks at international equities from its London office, 85 per cent of its clients invest US dollars, and have US dollar liabilities. "We have to look after that," says Mr Trott. "If we believe the dollar is undervalued, we will have to hedge our foreign currency investments back into dollars - although we will take the currency risk if it looks good."

## EUROPE

## Overseas weakness leaves senior bourses in decline

AN overnight fall in Tokyo and a weak Wall Street opening led most bourses lower, writes Our Markets Staff.

AMSTERDAM eased back slightly in spite of a warm reception for Philips' third quarter results. The CBS tender index lost 0.5 to 139.5, after a day's high of 139.8.

Mr Ian Blackford of NatWest Securities said that the results were in line with expectations, suggesting that restructuring and cost-cutting measures were now paying off. The shares added F1.10 to F1.40 and Mr Blackford saw the results providing an impetus for the price to test the F1.50 level. Polygram put on 30 cents to F1.40.

SLM, which released satisfactory second quarter figures but cautioned against expectations of substantially stronger full year results, lost 30 cents to F1.40, after an earlier high of F1.43. Mr Richard Brakenhoff of brokers Pierson noted that the airline's fate depended either on the success of the Alcazar talks or its ability to form links with another European airline. "It needs a European market share of about 10 per cent," he said, "and at the moment it has just 3 per cent." He remained a seller of the stock and commented that the airline had a long way to go in reducing its cost base.

Ako, confirming that it was holding merger talks with Nobel Industries of Sweden, gained F1.30 to F1.59.50.

FRANKFURT moved from consolidation to correction as the DAX index dropped 21.75 to 2,062.61, turnover falling from DM8.9bn to DM8bn.

Economic indicators were not good. The director of the German Chambers of Commerce and Industry (DIHT), Mr Franz Schoser, said on Wednesday that he saw a 0.5 per cent

## FT-SE 100 Share Indices

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE 100	1365.88	1367.71	1368.12	1367.01	1368.53	1366.11	1366.05	1365.59
FT-SE 250	1429.06	1428.43	1429.98	1431.12	1432.61	1430.36	1430.30	1429.48

	Nov 3	Nov 2	Nov 1	Oct 29	Oct 28
FT-SE 100	1381.11	1382.35	1375.31	1374.61	1369.48
FT-SE 250	1442.07	1444.39	1440.75	1439.46	1435.53

base index 1000 25/10/92 Kij: 217 100 - 149.72 300 - 143.41 London 100 - 139.5 200 - 143.32

the country's political and economic outlook. A volatile political situation was likely to delay passage of the budget, which in turn could hold up planned elections next year.

Stet fell L14 to L4,002, dragged down by an anti-trust ruling that prevents Stet from developing or marketing its digital phone system. Sip fell L49 to L3,440 in heavy volume of 16m shares.

ZURICH shed 1.8 per cent as foreign investors took profits in blue chips, leaving the SMI index 43.7 lower at 2,706.6.

Among the most actively traded blue chips, Roche certificates fell SF110 to SF75.45, Nestlé gave up SF19 to SF17.74 and Zurich Insurance SF15 to SF14.10.

Swiss Re registered shares eased SF110 to SF103.80 as the company forecast improved 1993 figures and good prospects for 1994.

BRUSSELS closed at a new high for the third time this week, edging up 3.12 to 1,391.99 in turnover of some Bfr1.9bn. Options-linked basket buying reversed early losses in the cash market, following major transactions in the Bel-30 index contract. Industrials led the gains with Beeket, the steel cord and wire maker, up Bfr25 to Bfr20,350.

Written and edited by William Cochrane, John Pitt and Michael Morgan.

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY NOVEMBER 3 1993	TUESDAY NOVEMBER 2 1993	DOLLAR INDEX
Figures in parentheses show number of lines of stock	US Dollar Index	Yen Index	DM Index
Australia (86)	161.48	161.71	162.18
Austria (17)	178.07	178.32	178.74
Belgium (42)	152.94	153.05	153.51
Canada (107)	138.98	139.08	139.77
Denmark (32)	240.48	240.82	241.04
Finland (23)	128.99	129.17	129.45
France (96)	168.65	168.85	169.15
Germany (60)	134.35	134.54	134.84
Hong Kong (56)	376.17	376.71	377.18
Ireland (14)	177.78	178.03	178.28
Italy (70)	67.99	68.09	68.39
Japan (488)	152.13	152.34	152.54
Malaysia (69)	406.01	406.21	406.41
Mexico (19)	182.51	182.71	182.91
Netherlands (23)	196.70	196.90	197.10
New Zealand (13)	88.17	88.37	88.57
Norway (23)	182.71	182.91	183.11
Sweden (38)	322.67	322.87	323.07
South Africa (60)	211.94	212.14	212.34
Spain (42)	202.80	203.00	203.20
Switzerland (50)	147.24	147.44	147.64
United Kingdom (219)	188.45	188.65	188.85
USA (519)	188.45	188.65	188.85
Europe (750)	160.92	161.12	161.32
Nordic (114)	193.12	193.32	193.52
Pacific Basin (713)	180.60	180.80	181.00
Europe-Pacific (1468)	160.80	161.00	161.20
North America (626)	185.01	185.21	185.41
Europe Ex UK (322)	142.17	142.37	142.57
Europe Ex Japan (244)	142.17	142.37	142.57
World Ex UK (1950)	167.38	167.58	167.78
World Ex Japan (1098)	167.38	167.58	167.78
World Ex UK (1950)	167.38	167.58	167.78
World Ex Japan (1098)	167.38	167.58	167.78
The World Index (2198)	169.38	169.58	169.78

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## ASIA PACIFIC

## Nikkei falls as investors adjust to new index

## Tokyo

SHARE prices plunged on late afternoon arbitrage trading, and the Nikkei average fell 1.3 per cent, closing below the 19,000 level for the first time in eight months, writes Emiko Terazono in Tokyo.

The 225-share index ended 431.45 down at the day's low of 18,949.79, having risen to a high of 19,433.24 in the morning. Selling centred on Nikkei 225 stocks which had not been included in the new Nikkei 300, and the Topix index fell less sharply, by 17.79, or 1 per cent, to 1,604.08. In London the ISE/Nikkei 50 index eased 0.90 to 1,277.55.

Analysts expect further selling of Nikkei 225 stocks as investors shift positions to the new index. "There is more than Y1,000bn in outstanding arbitrage buying positions, of which 60 per cent is held against the Nikkei 225," said one fund manager.

Volume came to 230m shares, against Wednesday's 206m, and falls overwhelmed advances by 902 to 118, with 142 issues unchanged.

East Japan Railway came under selling pressure along with other railway issues, and fell Y3,000 to Y492,000. Keisei Electric Railway shed Y2 to Y882 and Tokai Y42 to Y730. Nippon Telegraph and Telephone closed Y11,000 lower at Y289,000. Other telecom issues were also weak, with KDD slipping Y200 to Y12,400.

Margin traders who had bought stocks at higher levels six months earlier were forced to liquidate holdings. Tokyo Electric Power declined Y30 to Y3,390 on margin-linked sell-

## SOUTH AFRICA

GOLD shares extended their gains on steady local and foreign buying and the index ended 72 up at 1,798. Industrials put on 1 at 4,562 and the overall index rose 32 to 3,978. Kloof gained R3 at R45 and Gencor 65 cents at R10.45.

ing, as did Sumitomo Metal Mining, Y27 lower at Y803.

Nikkei 225 components not adopted for the 300-issue index fell back, Mitsui Mining by Y28 to Y519 and Tohoku Chemical by Y26 to Y469.

Financials, which held up against overall selling during most of the day, eased just before the close. Sakura Bank lost Y10 to Y1,690 and Nikko Securities Y20 to Y1,160.

In Osaka, the OSE average declined 250.08 to 21,239.69 on selling by margin traders, in volume of 19.1m shares.

## Roundup

A WAVE of profit-taking left the region mostly lower. HONG KONG lost ground for

the second consecutive day but met support at lower levels.

The Hang Seng index finished 147.23, or 1.6 per cent, down at 9,204.88 after bargain hunters pulled it back from a day's low of 9,158.

MANILA retreated on a long-awaited correction, with Philippine Long Distance Telephone's overnight fall on Wall Street triggering a bout of profit-taking.

The local price of PLDT dipped 55 pesos to 1,855 pesos and the composite index shed 30.8 from the record high established on Wednesday, to 2,446.74.

TAIWAN also saw heavy profit-taking after its 10 per cent gain over the last three weeks, in spite of continued

hopes that the central bank might decide to ease credit further at its board meeting this afternoon. The weighted index closed 22.78 lower at 4,260.56.

Active foreign buying was seen in Acer, which moved ahead 60 cents to T\$27.30.

BANGKOK'S SET index finished 18.46, or 1.4 per cent, down at 1,281.83 in turnover of B\$18.16bn, but after having picked up from a day's low of 1,267.64.

AUSTRALIA ended weaker for the third consecutive day, although some late bargain hunting enabled the All Ordinaries index to pull back from its worst level to finish 8.8 lower at 2,101.6.

SINGAPORE relinquished

some ground as profits were taken after Wednesday's second high. The Straits Times index shed 15.58 at 3,032.8.

KUALA LUMPUR was unable to maintain an early positive tone and the composite index fell 4.97 to 978.8.

JAKARTA went against the trend as foreign and local investors actively bought banking stocks. The composite index climbed 16.58 to a year's high of 800.75.

Bank Duta rose Rp975 to Rp4,300, while Bank Internasional Indonesia added Rp700 to Rp6,800.

SEOUL rebounded amid late institutional buying of most sectors, but chip stocks and the composite index gained 8.88 at 766.55.

## Spain - Economic Outlook

The Central Hispano report on the Spanish economy

## 1994 BUDGET: A STEP IN THE RIGHT DIRECTION

After four years of a ballooning budget deficit, the Spanish authorities are beginning to put their house in order. The general government deficit target for 1994 is 6.4% of GDP, down from an estimated and all-time record of 7.2% this year, which is close to double the initial objective of 3.9%.

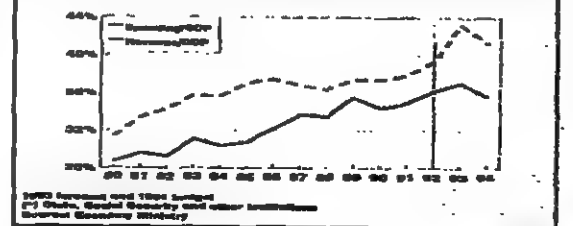
Although the deficit target is slightly more than double the Maastricht requirement of 3% for European Monetary Union, the budget was well received in the financial markets. The budget is viewed as realistic in the context of Spain's recession, the lower deficit is a positive change of trend and Catalan nationalist party support ensures a government majority for its approval. When this was guaranteed in late October the Bank of Spain immediately reduced its benchmark interest rate by a further 25 b.p. to 9.25%, the lowest level since the end of the 1970s. The peseta held firm.

The relatively restrictive budget is underlined by the proposed 1.3% decline in current expenditure by the state on the final revised spending figure for this year. This is the first time in recent history that the government is proposing to reduce spending.

The 4.6% decline in current transfers - which account for 53% of forecast spending - is a key element in reducing the budget deficit. The authorities have begun to clean up the deteriorating accounts of the organisations responsible for the pension, health and unemployment benefits systems. One novelty incorporated into the 1994 budget is that unemployment benefits will, for the first time, be subject to income tax. The government is also going to link the granting of unemployment benefits to severance pay.

The government is also proposing to freeze the wages of civil servants for the first time; average yearly growth in real terms between 1986 and 1992 was 2.7%. Unit labour costs, whose growth in recent years has outstripped that of Spain's major trading partners and thus eroded

REVENUE AND SPENDING OF CENTRAL GOVERNMENT (%)



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## RECRUITMENT

## JOBS: Survey shows that at least 40 other cities rank ahead of London in expensiveness league

## How living costs vary worldwide

AT LAST the multitudinous globe-trotters among the FT's readership can cease tapping their hooves impatiently, not to mention telephoning to demand "where is it?" What they've been waiting for is in the table down to the right: the latest indicators of international living costs as calculated by the P-E International consultancy.

The reason why they are appearing two months later than usual is that the consultancy has expanded its regular survey to include far more than basic cost data. To compensate for the delay, however, it is allowing the Jobs column not only to print extracts from the study several days ahead of official publication, but to give figures for 75 different places around the world instead of 60 as before.

That is still barely more than half the number, 143 cities in 118 countries, covered by the study. Anyone wanting information on other places should contact Joanna Pawluka-Saunders of P-E's centre for management research at Park House, Wick Rd, Egham, Surrey TW20 0HW: tel (01784 43441, fax (01784 43782). The price of the report is £500.

My table gives three figures for each of the cities included. The first is an indication of the local cost of a "basket" of goods and services typically bought by executives, and represented by an index based on London prices at 100. Next comes the most recent official rate of inflation to hand when the data were

compiled. The third - the exchange rate at which the other currencies have been converted to sterling - will strike most readers as having an antique and in some cases nostalgic look. After all, 172.75 yen and even 1.52 US dollars are

appreciably more than £1 will buy now.

The explanation is that the rates of exchange given in the table are those which prevailed on the date when the original information on price levels was collated: to wit, April 5. And my excuse

for refraining from adjusting them is not just pressure of work, but also a foreboding based on past experience that, had I done so, something would have happened to change them all again in hours. For instance, the appearance

of the indicators three years ago coincided with Iraq's invasion of Kuwait, and my update of them the following January with the onset of the Gulf war.

Besides, although the cost-index figures in the table reflect the April exchange rates, there is a simple way of adjusting the indices in line with changes in currency values. Except in countries with soaring inflation, of course, the prices of the sorts of goods and services covered by the survey change only slowly. So the basic cost data collected last spring should in most cases remain a tolerable guide to reality until at least the end of the year.

To compensate for currency-market movements in the meantime, all that is needed is a two-step calculation. First, take the exchange rate given in the table, and divide it by the rate currently in force. Then multiply the result by the table's index figure and, hey presto, you are up to date.

As an example, since the yen rate was down from 172.75 to 160.25 last Monday night, Tokyo's index was up from 179.8 to 183.5. So whereas the difference between them from the Brits' angle was previously 7.7 points, it is now 3.5 - the same as the gap between London's 100

and the 91.7 of Birmingham, which is included in the study for the first time.

Another innovation is that the latest report provides some compensation for a weakness affecting all surveys of world living expenses that I have come across to date. It is that, because of the difficulty in devising an internationally consistent yardstick of housing costs, the surveys take no account of that important outlay at all.

While the same remains true of the indices I've printed, P-E has joined with the Hamptons Relocation consultancy - which operates world-wide from its base in Swindon - to give information on accommodation costs in 48 cities. Here is a sample, showing the typical range of monthly rents apparently charged for an unfurnished three-bedroom apartment (prices in sterling at the exchange rates of April 5):

City	Range in £	Mid-point
Paris	1,580 - 3,400	£2,490
London	1,800 - 2,600	£2,200
Frankfurt	1,030 - 2,680	£1,855
Dubai	885 - 1,325	£1,105
Madrid	570 - 1,450	£1,180
Barcelona	595 - 1,155	£925
Stockholm	780 - 1,050	£915
Grenada	530 - 790	£660
Washington	600 - 680	£630
Johannesburg	410 - 680	£545
Jerusalem	495 - 595	£545
Panama	330 - 400	£368

Michael Dixon

## BABCOCK &amp; BROWN

Our client is an independent firm of specialists engaged in advising and arranging large asset based financings. World-wide activities include Domestic and Cross-Border leasing, Project Finance, Asset-Based Debt Finance, and Structured Finance. The Company is particularly noted for the sophistication of its financial analysis and structuring techniques and is established globally as a market leader in asset-based financings and project finance.

## PRINCIPAL, LEASING &amp; STRUCTURED FINANCE

## The Role: Analyst/Technical Marketer

- to use specialised quantitative techniques and proprietary systems to analyse, structure and place domestic and cross border finance leases
- to contribute to the development and marketing of sophisticated new leasing and tax-based bond products incorporating capital market derivative products

## Ideal Profile

- probably aged over 30
- sophisticated knowledge and experience of spreadsheets, analysis, and ideally of proprietary lease evaluation systems
- strong communication and marketing skills
- some knowledge of domestic and cross-border lease finance
- knowledge of asset-based financing techniques or capital markets products
- experience may have been gained within a wide range of industries including banking, accountancy, management consultancy or the funding division of international industrial corporations
- proficiency in a second European language would be of specific interest

Remuneration packages for both positions will include good base salary and uncapped profit share. Candidates should enjoy the prospect of working in a flexible, highly professional, team environment.

Interested candidates should apply with full CV, or send a fax to Tim Clarke at THE BLOOMSBURY GROUP, Executive Selection, 177 High Holborn, London, WC1V 7AA. Fax No 071-2407466; Telephone No 071 379 1100.

## PRINCIPAL, PROJECT FINANCE

## The Role: Analyst/Technical Marketer

- to provide transactional and analytical support to the project finance marketing executives
- to evaluate, analyse and execute project finance transactions within the domestic and international power, transport, telecommunications, oil and gas sectors

## Ideal Profile

- aged late 20s upwards
- highly numerate with strong analytical and flexible spreadsheet abilities
- strong communication and marketing skills
- broad understanding of the commercial, legal, political, tax and funding issues relating to international project finance deals
- ability to adapt knowledge and technical skills to commercial projects and to develop concepts and theories for funding methods
- a background in project finance or structured financing group of merchant bank, a firm of chartered accountants, management consultants, or industrial funding groups

THE BLOOMSBURY GROUP

## Client Support/Relationship Manager

Docklands, London

Salary c.£40,000 + car + bank package

The International Securities Market Association, ISMA, is a unique self-regulatory organisation, developed by and on behalf of the firms which constitute the international securities market. ISMA provides electronic and printed products to its membership in over 40 different countries.

In 1989 ISMA launched TRAX, a real-time, screen-based trade confirmation and risk management system. Designed principally for the international securities market, TRAX is currently used by over 260 users in 12 countries.

A Manager is now required to head the Business Liaison Department which provides consultancy and support services to users of the TRAX system.

The ideal candidate will be in his or her 30's with proven management experience in a comparable client support role, and a background in IT systems and business analysis. Knowledge of the financial or securities market is essential. Some foreign travel will be involved and a second European language would be an advantage.

If you would like to be considered for this post please write giving details of your career and current salary, quoting reference 0195, to AAD Selection Consultants, 7 Curzon Street, London W1Y 7EL.

AAD

The Advertised Appointments Division of Odgers and Co. Ltd.

## IBM/AS400/ANALYST/PROGRAMMER

Banca Commerciale Italiana (Suisse), invites applications for a first-class

## ANALYST/PROGRAMMER

Candidates must demonstrate a proven record of achievements with IBM AS400/RPG400 and a solid experience in complex banking applications.

The position entails the leadership in the existing EDP team. Candidates must possess a strong determination to rapidly master the present software and contribute to its enhancement with more challenging projects.

He/she must be fluent in English and German and aged between 25 and 35 years. Workplace is Zurich.

Please apply with C.V. to:

Banca Commerciale Italiana (Suisse)  
For the attention Personnel Department  
Loewenstrasse 60  
CH-8021 Zurich  
(Tel: 01/ 220 81 11, Fax 01/ 211 77 93)



To £45,000 + benefits + performance and loyalty bonus

Financial Services

North London

## Manager - Property Loan Workout

UK subsidiary of one of the largest US financial services corporations has restructured all property loans into one portfolio, £120m in total, with the majority of exposure in bilateral commercial property loans. Recently appointed Managing Director requires a young banker with property lending experience to assume responsibility for a significant workout portfolio. Major opportunity to work at the heart of a sizeable group and develop further technical and commercial expertise in a key sector.

- Manage a portfolio of commercial loan workouts, working in close conjunction with senior team members, including the Managing Director.

- Maximise recovery and minimise loss from an evolving portfolio, working in a close knit professional team.

- Initiate and participate in negotiations with borrowers, liaising with lawyers and other external advisers.

- Corporate banker with blue-chip credit training, aged 26-35, with at least three years' experience in property lending, ideally including some workout experience, gained in a progressive environment.

- Disciplined analyst, planner and administrator with well-developed technical skills. Effective negotiator with mental agility, initiative and down-to-earth approach.

- Motivated by problem solving. Highly analytical yet commercially focused with strong solutions orientation.

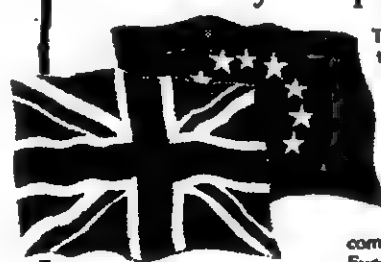
London 071 975 8454  
Manchester 061 499 1700

Selector Europe  
Spencer Stuart

Please reply with full details to:  
Selector Europe, Box 750121, 16 Connaught Place, London W1 2ED

## Economists

Could you help to influence economic policy in Westminster or Brussels?



fast stream

The Government Economic Service (GES) - the largest employer of economists in the UK - offers graduates the chance to gain an unrivalled breadth of experience at the very centre of Government in this country as Economic Assistants. Alternatively, through the European Fast-Stream, you can combine work experience in the GES with a special training programme to prepare you for the recruitment competitions to the EC Commission, the European Parliament or one of the other EC institutions.

GES staff provide specialist advice to most Government Departments and Executive Agencies, contributing directly to the formulation and execution of national economic policies. To this end, we put both micro and macro principles and techniques into practice, balancing industry-specific issues against those which affect the whole economy.

It is a role in which your creativity, innovative ideas and technical skill could influence not only Government Ministers and Parliament, but the daily lives of everyone in the country.

As a European Fast-Stream economist, you'll work in the GES externally on EC-related issues, and at the same time follow a training programme tailored to your needs including temporary placements in Brussels or Luxembourg coaching for the rigorous EC competitions and language tuition. As well as the skills and experience described, you'll need

serious motivation towards a career in the Community.

In order to be eligible for these competitions, you must have, or expect to obtain in 1994, a first or second class honours degree in economics or a related discipline or a post-graduate degree in economics. You will also need well-developed communication and analytical skills, excellent problem-solving skills, and a desire to get things done effectively. You are likely to be in your early to mid-twenties, although older applicants will be considered (applicants for the European Fast-Stream must normally be aged 35 or under on 1 October 1993).

Your starting salary at Economic Assistant level will range from £12,640 to £23,039 according to relevant experience, qualifications, employment history and location of post. Benefits include 22 days' annual leave and a non-contributory pension. Posts are in London, Sheffield, Birmingham, Leeds, Edinburgh and Glasgow.

For further information and an application form, telephone (0251) 468551 or write to: Recruitment & Assessment Services, Alencon Link, Basingstoke, Hants RG21 1JB, quoting reference A/94/621. Closing date for receipt of applications: 28th January 1994.

The Civil Service is an equal opportunity employer

## Deputy Head of Treasury Settlements

Major Global Bank

c. £75,000 package including, bonus, banking benefits + car

City

Our client is one of the UK's premier global financial institutions. Its Treasury Settlements Group is currently undergoing an extensive global modernisation and upgrading programme, of both processes and systems. They now seek an outstanding professional as Deputy Head of Treasury Settlements for their London operation to significantly contribute to this process.

Reporting to the Head of Treasury Settlements your responsibilities will include:

- Providing support in the day to day running of the London Treasury Settlements Operation.
- The control, direction and co-ordination of the processing and control sections within agreed procedures and authority limits.
- Overseeing a comprehensive re-engineering process including computer systems.

Ideally candidates will be c.40 years of age with at least ten years practical experience of Treasury Settlements at managerial level, either as head or deputy head of department. You will possess excellent product and computing systems knowledge, together with significant change management experience. First class interpersonal and people management skills are prerequisites for this high profile role. Also your personal qualities must include, an open mind, robustness and integrity.

For the right candidate the rewards are substantial, including an attractive base salary, executive car, performance related bonus and banking benefits. If you believe you possess the dynamism and appetite to succeed in this exceptional role, then please send your CV to the advising consultant, Jonathan Kidd, at Harvey Nash Plc, Dragon Court, 27-29 Maclean Street, London WC2B 5LX. (Tel: 071-333 0033). Please quote reference HNF104. All applications will be treated in the strictest of confidence.

HARVEY NASH PLC



# General Manager

## European Bank

c.£100,000 Package

City of London

Exciting opportunity to lead established London branch at a time of tremendous change in Europe. This leading European regional bank is committed to expansion of its already wide network in Western and Eastern Europe.

### THE COMPANY

- ◆ One of Europe's leading regional banks. Prudent, successful, ambitious and growing.
- ◆ London is vital and profitable part of worldwide office network. Committed to further expansion into Eastern Europe.
- ◆ Product range includes treasury, lending, trade and structured finance and consulting services.

### THE POSITION

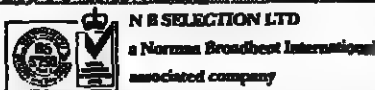
- ◆ Lead strategic development of London branch from solid existing base.
- ◆ Create and drive business and marketing plans for next phase of branch development.

- ◆ Use branch's location and bank's network to maximum strategic effect in building UK and Continental opportunities.

### QUALIFICATIONS

- ◆ An experienced, innovative commercial banker. Strong track record of success in senior management role.
- ◆ Broad knowledge of European corporate and banking markets. Trade finance expertise.
- ◆ Well educated, bilingual English/German. Interest in Eastern Europe essential.

Please send full cv, stating salary. Ref M4335  
NBS, 54 Jermyn Street, London SW1Y 6LX, England



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# Cross-Border Structured Finance

## Major UK Plc

c.£70,000 Package

London or Midlands & Overseas

Excellent opportunity for creative corporate financier to structure and finance international joint ventures.

### THE COMPANY

- ◆ £1bn+ turnover, capital intensive business. Highly profitable.
- ◆ Substantial funds earmarked for overseas expansion through acquisitions, joint ventures and direct investment.
- ◆ Pioneering approach and rising international profile in specialist field.

### THE POSITION

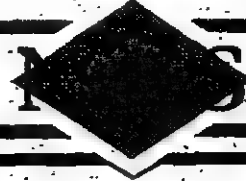
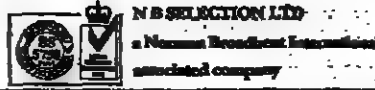
- ◆ Identify, structure and negotiate international financial and banking arrangements to support overseas projects.
- ◆ Evaluate proposals for presentation to Main Board. Report to Head of Group Finance.

- ◆ Initiate and develop senior relationships with international partners and funding institutions.

### QUALIFICATIONS

- ◆ Senior level experience of financing and structuring capital intensive acquisitions/joint ventures. Possibly MBA or accountant. Aged 35 plus.
- ◆ Industry, banking or consultancy background. Cross-border experience preferred. Cross-cultural outlook essential.
- ◆ Deal driven self starter and team player. Strong communicator with excellent negotiating skills. Sound computer modelling skills.

Please send full cv, stating salary. Ref M4325  
NBS, 54 Jermyn Street, London SW1Y 6LX



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# CJA

## RECRUITMENT CONSULTANTS GROUP

2 London Wall Buildings, London Wall, London EC2M 5PP  
Tel: 071-588 3588 or 071-588 3576  
Fax No. 071-256 8501

High profile management appointment for a commercial actuary currently working within a consulting firm or the insurance industry



## CORPORATE ACTUARY

£70,000-£100,000 + car

CITY OF LONDON

LEADING REINSURANCE AND INVESTMENT COMPANY POISED TO TAKE ADVANTAGE OF THE EVOLVING LONDON MARKET

For this new position, we invite applications from Actuaries (FIA, FFA, or US qualified), who must have had at least 8 years' post-qualification experience of which 5 years' will have been in general insurance, either within the insurance industry or an actuarial consultancy. As the successful candidate, you will report to the Managing Director and be responsible, as a Senior Manager, for a wide range of strategic planning, policy formulation and implementation. As the actuarial interface between the Managing Director and the Business Unit Directors and their line actuaries, you will co-ordinate and consolidate various regular reports and give guidance on, for example, new product development and business opportunities in the current and future market environments. Essential qualities include strong inter-personal communication and presentation skills, the ability to think strategically and advise on underwriting and investment issues from an actuarial perspective. Initial salary negotiable £70,000-£100,000 + car, non-contributory pension, free life insurance, free medical insurance. Applications in strict confidence, under reference CA4922/FT, either by telephone on 071-588 3114 (day) or 081-673 6783 (evenings/weekends) or in writing to the Managing Director, CJA.

# INTERNATIONAL FUND MANAGEMENT

Career development opportunities for young Fixed Income and Equities professionals within the growing investment management subsidiary of a major international financial services group.

The company manages institutional and private client funds which are invested in all the world's major fixed income and equities markets. Established in recent years as the specialist fund management arm of a well-known international group, it has plans for continued business growth.

### Fixed Income

Working in a small team, you will be responsible for managing multicurrency portfolios for a diverse range of clients. You must have at least three years experience of international fixed income fund management and the proven ability to develop effective client relationships.

### Equities

In this position, you will assume responsibility for one or

more international equity markets. You will also work closely with the existing team and take increasing responsibility for your own group of clients. You must have some knowledge of the international markets, preferably gained as an analyst in European, US or Japanese equities with a fund management or securities house.

Both positions offer the opportunity to contribute to the asset allocation process and the formulation of investment strategy. The company offers a competitive salary and benefits package.

To apply please write to: Tony Tucker, John Sears and Associates, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9PB. Tel: 071 222 7733 or Fax: 071 222 3445.

**John Sears and Associates**

Executive Search & Selection in Investment Management

A MEMBER OF THE SMCL GROUP

## MARKETING CONSULTANT

Up to £50,000.-  
BASIC SALARY TAX FREE

JEDDAH, SAUDI ARABIA

A major Industrial Group based in Jeddah, Saudi Arabia, is planning to expand its activities through a number of new projects and diversifications. To assist the Group in meeting their objectives, a career opportunity has arisen for a very experienced, qualified Marketing Consultant.

Reporting direct to the Director of Project Studies, the candidate will have overall responsibility for the evaluation of new projects from the marketing perspective.

An appropriate qualification - preferably an MBA in marketing is required together with a successful track record in consultancy or project marketing evaluation. International experience, - particularly in Saudi Arabia, would be a plus.

The basic salary will be up to £50,000.- per annum. Currently there is no income tax payable in Saudi Arabia.

In addition, expatriate benefits will include housing and car allowances, four weeks annual vacation with business class air fares for self and family, plus full medical cover in Saudi Arabia.

A full curriculum vitae should be sent to:-

Corporate Vice President  
Project Studies & Implementation,  
Alhamrani Group of Companies,  
P.O. Box 1229, Jeddah - 21431  
Saudi Arabia.

or Fax direct to: Fax: (966) (2) 6833414

Closing Date for receipt of applications is Sat. 20th. November

Interviews will be conducted in London during the second week in December.

## A CHALLENGING REPUTATION AN OUTSTANDING ENVIRONMENT

Murray Johnstone Limited is one of Scotland's leading investment management groups, currently managing assets in excess of £4 billion. Our wide range of products include Investment Trusts, Unit Trusts, Pension Funds, Venture Capital and Private Clients.

### ANALYST

As part of our listed investment management team, you will be joining the UK department where your principle responsibilities will include in-depth research with a strong emphasis on stock picking. Your role goes well beyond pure research, and you will be expected to implement many of your decisions. Operating in a high pressure environment, characterised by change and development, to achieve, you must be able to combine initiative and drive with above average communication skills. Aged mid 20's, you will possess a relevant first degree and will already have gained some research experience, preferably on a UK desk.

### GRADUATES

Many of our directors and senior managers joined us as young graduates and we are seeking individuals with the mix of qualities that will ensure their success. High achievers with drive, sound commercial instincts and good communication skills. Ideally you should be a recent graduate in economics, mathematics or business studies. However, it's equally likely graduates of other disciplines will possess the required qualities.

These are key appointments and carry with them very attractive salary packages together with the benefits you would associate with a high profile financial services company. Relocation assistance will be provided as appropriate.

Applications in writing, giving brief, but comprehensive details should be forwarded to Chris Jackson, Director of Corporate Services, Murray Johnstone Limited, 7 West Nile Street, Glasgow G1 2PX. A member of IMC.



# JOHNSON FRY ASSET MANAGERS PLC

## Fund Management Positions £Negotiable

Johnson Fry Asset Managers PLC, the investment management subsidiary of Johnson Fry plc, one of the UK's most successful and innovative financial services groups, is continuing its rapid expansion and now seeks candidates for two new important fund management positions.

## Fund Manager - UK Smaller Companies Fund Manager - Continental European Equities

Candidates, who must be of the highest calibre, should be able to demonstrate a superior track record and have the flexibility and adaptability necessary to succeed in a dynamic environment.

Remuneration, which is negotiable, will be commensurate with the importance of these new positions.

Please write in the strictest confidence to:

David R Franklin, Managing Director  
Johnson Fry Asset Managers PLC,  
20 Regent Street, London SW1Y 4PZ

**Hangras**  
Housing Association Ltd.

**DIRECTOR**

Package to £36,000

Ground floor opportunity in Hampshire  
Hangras has recently finished a substantial twelve month agreement with East Hampshire District Council and is the Council's chosen developer for a number of sites in the District. As a result, it is expected that stock will increase by between 80 and 100 units each year for at least the next three years.

Against this background of expansion and challenge the Association now seeks to appoint a full time Director. The post is based at Lym, Hampshire and a varied package including car and accommodation (if required) can be negotiated to suit circumstances.

Essential requirements of the post are:

- ◆ a commitment to a hands on approach;
- ◆ an appreciation of social housing;
- ◆ an appropriate blend of managerial and financial skills.

For further details please contact Sarah Field, Towns Ross Housing Consultants, Milton Keynes (0908) 666605, extension 2343  
Closing date: 15 November 1993 Interviews: 23 November 1993  
Hangras Housing Association aims to be an equal opportunity employer.

## QUANTITATIVE ANALYSIS FIXED INCOME DERIVATIVES to £60,000

The company is an international bank with a strong reputation in fixed income and derivatives markets. They want to recruit an experienced analyst for their fixed income research group to develop and implement analytical tools and valuation models for fixed income derivatives.

Ideally you will have a postgraduate qualification in a discipline involving stochastic calculus - a PhD in Theoretical Physics or Maths would be attractive; and at least one year's experience in a fixed income environment. You will also have a thorough understanding of term structure and option theory. You must be proficient in programming: Fortran and C are the preferred languages.

Although you will not have your own P&L, you will work closely with sales and trading staff and consequently have a direct influence on the profitability of the fixed income department.

This position will be attractive to analysts wanting faster, more tangible results of their research, or to subtrading staff wanting to increase the analytical content of their work. Call Tony Sheppard.

**AUSTEN SMYTHE SEARCH AND SELECTION**  
127 Chancery, London EC2Y 4DB  
Tel: 071 606 2862 Fax: 071 726 4296

071 222 1550





CHASE

## CAREER CHANGE FOR FX/DERIVATIVE SALES SPECIALIST

## Portfolio Strategy

## Risk Manager

The Portfolio Strategies Group of The Chase Manhattan Bank, N.A. in London is renowned for a highly innovative portfolio management concept known as GEM - Global Enhanced Management. This process employs active quantitative techniques to create and manage globally diversified, currency-specific, synthetic investment portfolios. At present the trading manager has sole responsibility for hedging decisions encompassing 28 equity index, government bond and FX markets. However, business levels are such that a second dealer is required to act as the group's currency specialist.

The new recruit will execute all FX trades required to implement and manage the GEM programme comprising Chase proprietary trading portfolios as well as client-driven business. In addition, the dealer will be expected to maintain daily contact with the various markets, gather

Interested candidates should contact Nick Bennett at BBM Associates Ltd (Consultants in Recruitment) on 071-248 3653, or write, sending a detailed CV to the address below. All applications will be treated in the strictest confidence.

76, Wading Street, London EC4M 9BJ



Tel: 071-248 3653 Fax: 071-248 2814



## BNP Capital Markets Limited

Member of The Securities and Futures Authority

## Legal Adviser

£35,000 + BENEFITS

Banque Nationale de Paris (BNP) is one of the largest French banks and has one of the most extensive international networks. In the United Kingdom it provides a wide range of services - banking, capital markets, stockbroking and mergers and acquisitions.

The privatisation of BNP has been hailed as a "remarkable success". This sale has also set the tone for one of the most dramatic and ambitious shifts in economic power seen in the Western world.

In order to enhance the continuing development of the Legal Department BNP Capital Markets, the UK affiliate of BNP which specialises in capital markets, now wishes to recruit a bright, young lawyer to join the team. This is a high profile department which deals with a broad range of banking, commercial and capital markets work.

Candidates will be in their mid to late twenties and will have gained a minimum of two years' experience in a law firm or a financial institution. A knowledge of Swaps and ISDA documentation is a prerequisite, as is fluency in French. The role will demand an assertive and creative approach, flexibility and confidence.

To work within this stimulating, expansionist environment demands strong communication skills and a good sense of humour. This appointment represents an outstanding career opportunity for the right individual to work within a highly successful organisation that is committed to developing and rewarding its people.

Interested applicants should apply, in writing, to Fiona Campbell at the address below, or alternatively fax details to 071 404 0140. All enquiries will, of course, be treated in the strictest confidence.

## Alderwick Peachell

&amp; PARTNERS LTD

Alderwick Peachell &amp; Partners Limited, Recruitment Consultants, 125 High Holborn, London WC1V 6QA. Tel: 071-404 3155. Fax: 071-404 0140.

SENIOR TRADER -  
FIXED EURODOLLAR

Fixed Income Capital Markets is a major growth area within Citibank, which is itself enjoying strong earnings growth. We are pressing home this advantage by expanding our trading team with a view to providing a much greater service in the important Fixed Rate Eurodollar Market.

This is a career opportunity to broaden your experience whilst making a valuable contribution to our success by assisting in the expansion of our existing dollar business. Working pro-actively with the sales team across a wide investor-base, you will identify and recommend issues with the greatest trading potential.

To succeed, you will need to have at least three years' trading experience in Liquid Dollar Eurobonds and be a strong team-player.

In return, we offer a highly attractive basic salary plus performance-related bonus, company car, subsidised mortgage and money purchase pension plan, plus other benefits. Career prospects are excellent.

Please write, enclosing your CV to Vivian Leach, Vice President Human Resources, Citibank NA, PO Box 200, Concorde Centre, Hays Lane, London SE1 2QT.



We are an equal opportunities employer

EXECUTIVE SEARCH or SELECTION  
Financial Sector

Stephens is a privately owned group of specialist consultancies in London, Edinburgh, New York and Hong Kong. Since 1976 our depth of market knowledge, dedicated research and long term relationships have given us a leading edge, particularly within the financial sector. We are continuing to build both our search and selection activities in the UK and overseas and seek several high calibre consultants.

Candidates should be well educated in their late 20s or 30s. They could have a background in investment management, equities, fixed income or corporate finance and aspire to executive search. Alternatively they may be thoroughly experienced consultants specialising in insurance or banking. Key attributes must include interpersonal skills, focus, creativity, high energy level and self motivation together with the ability to generate ideas, build relationships and complete assignments successfully and professionally.

If you seek the scope, challenge and earning potential of making a visible contribution in a team orientated firm which is poised for growth please contact Mrs F J Stephens, Managing Director, at 20 Cousin Lane, London EC4R 3TE. Tel: (071) 236 7307 or Fax: (071) 499 1150.

STEPHENS CONSULTANCIES  
London Edinburgh New York Hong KongWe are an International Group, active in consumer  
oriented sectors and require to fill the position of the  
GENERAL MANAGER

for our Match Company in Nigeria. It is the leader in the business with over 700 employees, headquarters in Ibadan and 4 factories in different locations.

The successful candidate shall be between 35 and 50 years old, with some years of leadership experience in a consumer oriented business. He should have industrial expertise in a similar sector and be familiar with planning, organisation, finance and marketing. A good command of English is a condition, some years in a developing country of advantage.

For this demanding position, we offer an attractive remuneration, excellent social coverage and very good local conditions.

Please address your reply together with the comprehensive CV and a photograph under cipher 44-68115 Publicitas, P.O. Box, CH-8021 Zurich.

Use your trading expertise  
to market real-time  
Technical Analysis Products

## Product Marketing Manager

Dow Jones Telerate is a wholly owned subsidiary of Dow Jones & Co. Inc. and a world leader in providing on-line financial information.

In line with our continued expansion in the provision of technical analysis products that allow users to graphically analyse live market data, we are looking for a Technical Analysis Marketing Manager who will be based in London.

## THE ROLE ENCOMPASSES:

- Continuing the definition of our marketing strategy for Technical Analysis products in Europe/Gulf.
- Providing product marketing leadership for colleagues in the region.
- Liaising with a wide range of clients with different technical analysis interests and skill levels.
- Communicating to an international development group the modification and changes that are needed to keep our products competitive.
- Highlighting future market opportunities.

## THE SUCCESSFUL CANDIDATE WILL:

- Be educated to degree level with several years' trading experience using technical analysis.
- Have excellent communication skills, good commercial awareness, and PC knowledge.
- Ideally, be bilingual with command of a second European language.

If you think you have what it takes to succeed in this extremely challenging - and rewarding - position, write enclosing your CV and current salary details to: Catriona Henderson, Human Resources Department, Dow Jones Telerate, Winchmore House, 13-15 Petter Lane, London EC4A 1BR. No agencies.

"This company is committed to equal opportunities and applications are welcomed from anyone irrespective of colour, ethnic origin, disability, sex or marital status."



## C S ASSOCIATES

## MANAGER - CUSTOMER SERVICE

Leading Investment House seeks qualified, experienced & committed professional to take charge of the management and strategic development of their customer advice/information telephone centre. You will be responsible for motivating a young and dedicated team to the highest standards of Customer Service.

A graduate with at least 4 years experience within a F/S orientated telephone environment, you will be PC literate and familiar with ACD. You will have the ability to communicate effectively and assess performance objectively together with a genuine interest in developing staff.

Excellent remuneration & benefits package offered. For this key executive position, please send full career details incl. current salary package to:

S. Taylor Start, CS Associates,  
Peck House 20 Eastcheap,  
London EC3M 1EB. Tel: 071 623 4202  
Fax: 071 929 2256

## Gartmore

## PENSION FUND MANAGERS - UK EQUITIES

Gartmore is one of the leading international investment management houses whose funds under management have grown rapidly in the last few years and currently stand at over £17 billion. To support this growth and in anticipation of further planned expansion, they are looking to appoint a number of Pension Fund Managers to join their UK team to cover the following:

- Balanced UK Funds
- Specialist/Higher Performance Funds
- Smaller Companies

The fund management experience required is likely to range between 2 - 15 years to match the level of appointment. Essential qualities are strong analytical skills, evidence of successful stock selection, the ability to communicate effectively and a team orientated approach to portfolio management.

In return the Company will offer a progressive career and an excellent salary and benefits package, including a profit share and bonus scheme.

If you are interested in joining this dynamic and profitable organisation, please contact, in complete confidence, Martin Symon at the address below.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP Tel: 071-623 1266 Fax: 071-626 5259

JONATHAN WREN EXECUTIVE

from £40,000

Northampton

## Risk Manager - Treasury

Join a pioneer in funding and  
risk management

This is a challenging opportunity within Nationwide - the UK's second largest building society (£35,000 million balance sheet) - which has an outstanding reputation as a pioneer in funding and risk management.

We have a strategic balance sheet approach to managing interest rate risk and, as Risk Manager, you'll be responsible for further developing interest rate and liquidity risk management, ensuring that risk reports fully reflect the complexity of interest rate and liquidity exposures both clearly and concisely.

A qualified accountant with exposure to risk management instruments or alternatively bank-trained in credit analysis and experienced in risk management products, you should be highly numerate and a good communicator. The ability to work as part of a team and a logical, analytical approach are essential.

In addition to first-class career prospects, we offer a benefits package which includes car, subsidised mortgage and relocation assistance where appropriate. Our clean-air policy prohibits smoking on the premises.

Please send a comprehensive CV to Sarah Baldwin, Human Resources Consultant, Nationwide Building Society, Kings Park Road, Moulton Park, Northampton NN3 1BR. Closing date for receipt of applications 11 November 1993.

Working for equality of opportunity nationwide.



The Nation's Building Society

## EUROPEAN INVESTMENT BANK

The EIB, the financial institution of the European Community, is currently seeking for appointment to its Technical Advisory Service in LUXEMBOURG a:

## Power Engineer (m/f)

Duties: identification, technical and economic evaluation and monitoring of the implementation of investment projects in the fields of power generation and distribution.

Qualifications: □ university degree in engineering, preferably with a doctorate; □ at least 10 years' professional experience in an international environment including developing countries, preferably covering the following areas: project design, evaluation and follow-through, management of complete energy systems including nuclear facilities; □ applicants must also be familiar with methods of analysing the cost and economic viability of such projects and modern data processing techniques.

Languages: as the Bank's working languages are English and French, excellent knowledge of one and good command of the other are essential. Knowledge of a third Community language would be an advantage.

The Bank offers attractive terms of employment, a generous salary and a wide range of welfare benefits. It is an equal opportunities employer.

Applicants, who must be nationals of an EEC Member Country and preferably not over 40 years of age are requested to send a detailed curriculum vitae, together with a photograph to:

EUROPEAN INVESTMENT BANK  
Recruitment Division (ref.: CT 9350)  
100, Boulevard Konrad Adenauer  
L-2950 LUXEMBOURG. Fax: 4379 3380

Applications will be treated in strictest confidence and will not be returned.

## SMITH NEW COURT SECURITIES LIMITED

## SENIOR ECONOMIST

Smith New Court, one of the UK's leading independent securities houses, is seeking to recruit an Economist to enhance its highly regarded Economics and Strategy team.

The primary responsibility will be to provide high class analysis of economic developments in the UK and global economics. The successful applicant will have a good degree in economics and excellent communication skills. A number of years experience in the City would be a useful advantage, although the main requirement will be an ability to fit in with the firm's approach to economic problem solving.

The salary package will be highly competitive with the usual fringe benefits. Applications will be treated in the strictest confidence.

Please submit an application, including a CV to:  
Kirsten Wright, Personnel Department,  
Smith New Court Securities Limited,  
Smith New Court House,  
20 Farringdon Road,  
London EC1M 3NH





## Monetary Authority

Challenging and Prestigious Career Positions  
Gulf Based Excellent remuneration package

Our client is a monetary authority in the Arabian Gulf with overall responsibility for directing monetary and banking policy and supervision over its implementation in accordance with the State's general policy.  
Our client is now seeking to employ qualified professionals to help in achieving its mandate and to secure the required expertise and knowhow to enhance existing local talent. The positions are:

Bank Supervisor • Bank Inspector • Investment Manager • Investment Analyst  
Foreign Exchange Chief Dealer • Chief Economist • EDP Manager • Legal Adviser

### Bank Supervisor

The Bank Supervisor will be responsible for managing all financial analyses activities including financial statements and portfolios and for developing performance standards for conducting inspections.

The ideal applicant will be a qualified accountant (ACA, CPA), and/or a member of the Institute of Banking with extensive experience in banking and financial institutions. The individual should be aged 30 to 40 and possess excellent analytical financial and communication skills.

### Bank Inspector

The main duties of the Inspector will be to carry out field inspections to ensure compliance with rules and regulations by the banks operating in the country.

The ideal candidate, aged 28-35, should have a proven track record in bank inspection, "Big 6" audit experience including banking clients and should be a qualified accountant, preferably ACA/CPA.

### Investment Manager

The Investment Manager will be responsible for devising and implementing strategies for investment of funds on behalf of the authority including investments in money market, fixed income securities and foreign exchange, and for managing its investment department.

The ideal candidate should be aged 30-40 with at least five years' experience in managing investments in a similar organisation, bank or financial institution.

### Investment Analyst

The Investment Analyst will be responsible for managing a portfolio of investments in money market, fixed income securities and foreign exchange.

The ideal candidate should be aged 30-40 with at least five years' experience in managing investments in a similar organisation, bank or financial institution.

### Foreign Exchange Chief Dealer

The Foreign Exchange Chief Dealer's role will be to lead a team of experienced FX dealers, controlling and monitoring their performance. He will be responsible for the appropriate management and control of all foreign exchange transactions in accordance with the Board of Directors and senior management instructions and guidelines.

The ideal candidate should be aged 30-40 with at least five years' foreign exchange dealing experience.

### Chief Economist

The main objective of this senior position is to provide sound advice to the Board of Directors of the Authority on matters relating to macro-economic,

fiscal and monetary policy, the review of national economic policies as they relate to the Authority and the preparation of economic reports and studies with emphasis on government monetary and fiscal policy, international trade and finance, gold and foreign currencies.

The ideal candidate for this position should have gained experience in a similar environment and hold a post-graduate degree from a recognised university and be aged 40 plus.

### EDP Manager

The EDP Manager is a new senior role developed to provide greater co-ordination between the functional areas of the Computer Centre and the users. The main function of this position is to facilitate more dedicated management in enforcing and improving standards and procedures and the development of tools and techniques to be employed to improve operational efficiency and effectiveness.

Candidates, aged 35-45, will be a graduate in information technology preferably with a Masters Degree. They will have at least 10 years' experience in data processing with at least five of these in a senior role. Our client requires someone with a good knowledge of English plus excellent interpersonal, managerial and presentation skills. Sound experience is required in systems analysis and design, development tools, communication techniques and protocols, plus office automation, image processing and CD-ROM technology. Working knowledge of running an IBM mainframe computer and applications software such as KAPPA Banking System (KIBS) would be an added advantage.

### Legal Adviser

The Legal Adviser will be responsible as a team member for providing sound advice to the Board of Directors and Senior Management on all legal matters connected with the Authority. He should have good knowledge of international banking and financial institutions and legislation.

The ideal candidate for this position should have gained experience at an advisory level and hold a Degree in law from a recognised university; be fluent in spoken and written Arabic and English, aged 40 plus.

### GENERAL

Attractive tax free salaries will be paid plus free accommodation, annual return airfare on leave and other associated expatriate benefits.

Interested candidates should forward their CV together with a recent photograph before mid November 1993 to Ernst & Young, Executive Recruitment Division, P.O. Box 136, Abu Dhabi, United Arab Emirates. Fax: 010 9712 342968. Attention: Mr Sami Ali.

**ERNST & YOUNG**

## SAUDI CAIRO BANK VACANCY

Saudi Cairo Bank, a leading commercial Bank in Saudi Arabia, is seeking to recruit a highly qualified, experienced and self-motivated person for the position of:

### PRODUCT MANAGER, CARD SERVICES

#### Basic Function

- To collaborate with all appropriate activities in the Bank to oversee the delivery of high quality card services to the market place.
- Prepare and update a marketing strategy for ATM's in harmony with the overall Bank's marketing strategy.
- Oversee the development and execution of a POS and VISA / Mastercard strategy.

#### Experience and qualifications

- At least (5) years as Product Manager and (3) years direct experience with ATM's POS and Major International Bank cards. Prior experience in sales and ample exposure to the marketing function normally associated with a product management position.
- Graduate of high school or its equivalent.
- Bilingual fluency in English/Arabic preferred.

#### Compensation

- A competitive package compatible with the candidate's length and level of experience will be offered to the selected candidate. This includes attractive salary, bonuses, allowance, travel air tickets, and medical treatment for the employee and his family.
- Applicants should send their C.V.'s accompanied with a recent photo and copies of qualifications and experience to the following address no later than one month from the date of this announcement.

THE MANAGER, MAN POWER & DEVELOPMENT DEPT.  
SAUDI CAIRO BANK, P.O.B.O.X 11222, JEDDAH 21453  
KINGDOM OF SAUDI ARABIA.

بنك القاهرة السعودي  
SAUDI CAIRO BANK

## PERFORMANCE DEVELOPMENT MANAGER

CITY COMPETITIVE PACKAGE AND BENEFITS

As a leading and well-established investment house with funds under management in excess of £10 billion, we are experiencing a period of rapid expansion resulting in an outstanding opportunity for a talented, numerate professional to join our Chief Investment Office.

#### RESPONSIBILITIES WILL INCLUDE:

- Development and monitoring of systems for performance attribution, risk-adjusted performance and benchmarks.
- Establishment of a new performance reporting system for Client Services, Marketing and Fund Managers.
- Implementation of performance measurement regulatory and presentation standards.
- Initiate the software development and computerisation in this area, in conjunction with the IT department.

The successful candidate will be of highly qualified graduate calibre, ideally in mathematics or statistics; with a minimum of 2-3 years' experience of the industry and the necessary computing and communication skills. Please apply in writing with an accompanying c.v. to:

Ms. Lynne P. A. Bishop, Head of Personnel  
Foreign & Colonial Management Limited  
Exchange House, Primrose Street  
London EC2A 2NY

Foreign Colonial



I. D. E. A.

"the essence of market intelligence"

## ECONOMISTS

I.D.E.A. seeks economists for both London and New York operations to analyse and provide advice to clients on financial markets. The ideal candidates are expected to have a degree, preferably with a post-graduate qualification, in economics.

In London we are looking for a recent graduate or someone with 1-2 years experience of analysing the UK economy. For New York our preference is for someone with more than 2 years experience focusing on the North American bond and currency markets. Duties would include writing market commentaries and undertaking economic forecasting.

Candidates must already have the right to work in the UK or US respectively. A competitive salary package is offered.

Please forward your CV to Graham McDavitt at:

I.D.E.A. Ltd  
Lincoln House  
296 High Holborn  
LONDON WC1V 7JH

## Economists

Strategic Business Management Group  
Central London

KPMG Past Marwick is one of the world's leading accountancy and management consultancy groups, with an international client portfolio that spans the commercial, industrial and governmental sectors. We currently have opportunities for talented economists.

The vacancies are for people with experience in industry, government or financial services who are able to undertake a wide range of challenging, strategy oriented engagements. We are particularly interested in economists with utilities or regulatory experience. International travel is often involved, so French, German or an eastern European language would be helpful; computer literacy is also required.

These excellent opportunities attract the kind of salary and benefits package you would expect of KPMG, together with prospects that are commensurate with a successful organisation. In the first instance, please write with your CV including full salary details to Jackie Bryan, Recruitment Communications, 195 Euston Road, London NW1 2BN. All replies will be acknowledged. Closing date 17th November 1993.

**KPMG** Management Consulting

## HELP ESTABLISH NEW MARKETS. AND A NEW ERA IN TELECOMMUNICATIONS.

Technology has created tremendous changes in the telecommunications industry—and tremendous opportunity. Today, as a U.S.-based Fortune 50 international leader in telecommunications, we continue to plan for aggressive growth in new global markets. And we seek dynamic, multilingual entrepreneurs to join us.

### DIRECTORS OF BUSINESS DEVELOPMENT

- Poland
- Czech Republic
- Portugal
- Beijing

You will enjoy broad autonomy as you recommend investment opportunities in the areas of telecommunications, cellular licensing and joint ventures. This will involve analyzing market trends and developing relationships with key decision makers and potential business partners.

Candidates must have extensive knowledge of the culture, language and business climate in which they intend to operate, strong financial and business evaluation skills, proven success developing partnerships and new ventures, and outstanding negotiating skills. At least 7-10 years in the telecommunications industry or related field is expected.

These positions offer impressive earning potential and opportunities for long-term professional development. For confidential consideration, please forward a resume and salary history (specifying preferred geographic area) to: Box B1727, Financial Times, One Southwark Bridge, London SE1 9HL. EOE.

## FUND MANAGER PACIFIC BASIN EQUITIES CITY

A young fund manager is required to join a well-established medium-sized fund management company. The candidate would join a small disciplined team of specialists managing pension and other funds on a global basis.

The successful candidate should be a graduate with at least two years' experience, preferably in Far Eastern markets, but experience of other markets will be considered an advantage.

The position will suit a person who is a proven team player but who now wants to be responsible for his/her own performance.

A competitive salary and benefits package is offered. Please write with your C.V. to:

Box B1886, Financial Times,  
One Southwark Bridge, London SE1 9HL

### COMPLIANCE SPECIALIST

A major US investment bank seek a compliance specialist for their Asset Management division. Reporting to the legal counsel you will be responsible for the compliance function (MRO SFA). Candidates should be graduates aged circa 28 years with a first class career to date. c£30-£40,000 Package

**INVESTMENT BANKER - EASTERN EUROPE**  
Major Securities House seeks an executive to market their capital markets and corporate finance capability to Eastern European financial institutions. Applicants must have originated transactions in the area. Fluency in Russian or Eastern European language preferred. c£35,000

### GENERAL MANAGER - SALES

We urgently seek a candidate aged 35 years with in-depth major account relationship experience and presently be at senior management level, able to maintain existing account relationships/programmes and motivate "field" leasing staff. Neg. £30-£35,000 + Benefits.

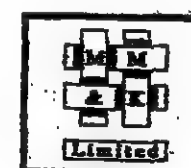
### CREDIT ANALYSTS

Three major banks urgently seek graduate bankers aged 24-28 years with in-depth experience of UK (ideally European) corporate credit analysis. Candidates must be able to propose and make recommendations on large value new business proposals. Neg. £24-£28,000 + Benefits.

Contact Mr Edwin Lawrie, all enquiries treated in strictest confidence.

**OLD BROAD STREET BUREAU**  
EXECUTIVE SEARCH & SELECTION CONSULTANTS  
85 London Wall, London EC2M 5TU  
Tel: 071-583 1991 Fax: 071-583 5312

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Designs Develops & Implements

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- Long Term Incentive Plans
- Service Agreements

For Top Management

If you have the expertise to apply for this position you should send your CV to:

Peter Newhouse  
MM & K Limited  
1 BENGAL COURT  
BIRCHIN LANE  
LONDON  
EC3V 9DD

Telephone: London 071 283 7200 Facsimile: London 071 283 7201



## Gerald Limited LIFFE ADMINISTRATION MANAGER

Gerald Limited is a leading clearer of Futures and Options in London maintaining memberships on all major London exchanges. On LIFFE we are an important clearer of Locals, Institutions and Funds. As part of the expansion of our management team we require an individual to join our team in a senior administrative capacity taking administrative responsibility for our LIFFE business which is located at 62 Queen Street, close to the exchange.

As our primary objective is to provide an impeccable administrative service to our clients the individual should have a strong administrative background on LIFFE with a strong knowledge of all administrative aspects of a LIFFE operation and preferably a familiarity with dealing with Locals. The individual will be responsible for all our activities

at the office which will include full operational control, responsibility for all administrative aspects of client relationships including seat leases, customer accounting etc. The individual will have to work very closely with the individual responsible for our Floor Activity on LIFFE as well as our Senior Management and operations group at our Head Office which is located at the address below.

It is unlikely that an individual with less than five years experience on LIFFE would have sufficient experience, however, an individual with a very strong general operational background on another market may well be appropriate.

A very attractive compensation package is available with an excellent bonus/benefit plan.

All enquiries, which will be treated in the strictest confidence, should be addressed to in writing or by telephone to:

Nikki Vernon-Browne, Gerald Limited, Europe House, World Trade Centre, St. Katharine by the Tower, London E1 8AA  
Tel: 071-867 8400

**ASSISTANT MANAGER - CUSTOMER SERVICE**  
Leading F&O stock and manager for their Customer Service Department. As a vital member of the dept you will ensure that all efficient staffing resources to maintain this top quality, 7 days a week, telephone service. You will manage telephone & customer call traffic, and monitor ACD performance data to maintain & improve productivity and service levels.  
You will have 3-5 years' experience in a telephone response environment, a good working knowledge of a telephone communications network, ACD PC based and statistical forecasting. The ability to work within a team is essential, as well as commitment to customer service.  
Attractive financial package for successful candidate.  
Please send full cv details and current salary package to: S. Taylor Smith  
CS Associates, Park House,  
20 Garsington Road, Oxford OX4 1DB.  
Tel: 071 623 4202 Fax: 071 623 2334

### Appointments Advertising

appears in the UK edition  
every Wednesday & Thursday  
and in the International edition  
every Friday. For further  
information please call:  
Garath Jones on  
071 873 3199

## Tax Based Finance

### City

£40-70,000+ Banking Bens

A rare and exciting opportunity has arisen to join a major European Bank, a market leader renowned for their innovation and leadership in the area of leasing and asset finance.

Sustained growth requires the recruitment of a key individual to assist in the structuring of complex tax based financing transactions. Working within a small, highly focused team, responsibilities will include:

- Advice on tax consequences of proposed transactions.
- Solutions to tax problems which arise in transactions.
- Solving clients' tax problems via financing products.

• Research and development of new products.  
The successful candidate is likely to be a qualified accountant with at least 4-5 years experience, or a banker with direct tax product related experience. You will be intellectually strong with a creative tax technical approach to transaction driven work.

This is an ideal environment to develop new structures and participate in identifying appropriate clients and marketing suitable products to them.

Please write in confidence with full career details to Tim Smith, Michael Page City or Chris Nelson, Michael Page Taxation at Page House, 39-41 Parker Street, London WC2B 5LH.



**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

## Transaction Management Derivatives Documentation Manager London

Our client, a British Investment Bank, is a leading global player in swaps and derivative products. As a result of continuing expansion in business volumes and complexity, they now seek to appoint a London Derivatives Documentation Manager. This new position will report to the Global Head of Documentation and will manage the day-to-day support for both UK and European trading activities across a diverse client and product base. Responsibilities include:

- Working closely with sales and trading in solving pre-trade issues on complex negotiations.
- Developing new product documentation for advanced derivative products.
- Transaction management, negotiation and documentation.
- Supervision and training of beginners, monitoring work output and standards.

The successful candidate will have significant commercial and negotiating experience.

gained directly in a transaction management group or similar within a large bank or financial institution. Product and technical expertise is essential in structuring both deal and master documentation. If not a qualified lawyer from a leading law firm, you should be qualified by experience.

A team player with instinctively sound judgement, you will have a confident yet diplomatic approach and the commitment to achieve the highest standards. The ability to work under pressure is needed in this 'live' environment. This challenging and exciting position carries a competitive salary and benefits package that will reflect experience.

For further information, in complete confidence, please contact Tim Smith on 071 831 2000 or write to him at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Please quote reference 165128.



**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

## FAR EASTERN EQUITY SALES 2 POSITIONS London



W.I. Carr is part of Banque Indosuez and Indosuez Capital Securities (UK) Limited and a sister company to Cheuvreux de Virieu. We specialise in Far Eastern Securities in most major financial centres and wish to recruit two experienced salespersons to join our highly rated London division.

The first position is selling Far Eastern Equities to France and Belgium and the second selling Far Eastern Equities to Holland and Germany. You will have a successful track record over minimum of 2 years in the relevant markets. Fluent in French for the first position, and Dutch and German for the second, you will be aged 25-35, you will possess ambition, drive and a high degree of commitment. Reporting to the Head of European Sales, you will be able to take responsibility and contribute to a highly motivated and successful team.

A highly competitive salary and benefits package is offered.

Please forward your C.V. to Federico Bazzoni, Head of European Sales, W.I. Carr, No 1 London Bridge, SE1 9TJ, or fax on number 071 403 0755

## STRUCTURED FINANCE OPPORTUNITIES

We are retained, often on an exclusive basis, by an increasing number of banks and package operators operating within the structured finance market. This also includes large unit leasing and asset based finance. Whilst the exact requirements may vary, all positions require experience gained within the £10m+ sector. A selection of the appointments that we are currently handling are listed below.

### SENIOR TRANSACTOR £70,000 plus significant bonus

International Bank requires an experienced transactor to join the existing cross-border, fee-income based team. Candidates must possess a proven record of originating and negotiating transactions coupled to excellent technical skills and knowledge of capital market products.

### MANAGER - ADVISORY £50,000 plus bonus

Principal seeks to recruit an A.C.A. who possesses significant fee income based expertise, gained within a merchant banking environment. The appointee will be responsible for developing a dedicated unit providing complementary advisory services within the UK market.

### MARKETING SUPPORT £35,000 plus bonus

Leading Merchant Bank wishes to appoint an exceptional graduate banker who can demonstrate in depth evaluation and structuring skills. Exposure to the negotiation of transactions would be advantageous for this excellent opportunity offering genuine career advancement.

### FINANCIAL ANALYST £25/30,000 plus bonus

Candidates should be highly numerate graduates who possess first class computer modelling skills gained within the structured, project or asset finance sectors. This position represents an exceptional opportunity to join a prime merchant banking operation.

If you are interested in the above or other positions within the large unit finance sector, and have relevant experience, please contact Peter Haynes or Keith Snow. No information will be disclosed without applicants prior consent.

Jonathan Wren & Co. Ltd,  
Financial Recruitment Consultants,  
No.1 New Street, London EC2M 4TF  
Tel: 071-623 1266 Fax: 071-626 5258

JONATHAN WREN LEASING

## HEAD OF MARKETING

North of England DIRECTOR DESIGNATE to £40,000 + car  
Private Client Asset Management

Our client is an established and successful group of private client asset managers, with offices throughout the UK. It has remained profitable despite the recession and is now seeking to develop its excellent reputation by recruiting a Head of Marketing. This is a new role which will involve working closely with the management team in order to create and implement a marketing strategy for 1994.

Reporting directly to the Chief Executive, the incumbent will also be responsible for promoting a unified image for the group through media coverage and corporate literature. The individual will liaise with the sales team, providing motivation and training throughout the group, in order to increase group awareness and marketing potential.

Ideally, candidates will be graduates aged 28 to 40, with at least five years' experience in private client asset management or financial services. A track record of success in marketing and management is essential and a qualification in marketing would be advantageous. Strong inter-personal and presentation skills are required for this exciting and challenging role.

Interviews will be held in London and the North of England and assistance will be available for relocation, where applicable.

Interested candidates should send full curriculum vitae, including details of current salary, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference number WS/106/1.



WHITNEY  
SELECTION

## DERIVATIVES OPERATIONS MANAGER

Central London £Excellent + Benefits

Our client is a leading investment institution with some \$40 billion under management. They are seeking to recruit an experienced derivatives operations manager who will be responsible for ensuring accurate settling of a variety of product areas including futures, options, swaps, repos and mortgage backed securities.

The suitable candidate, preferably a graduate, must have at least 3 years experience within a derivatives area, and should be able to demonstrate product knowledge, an understanding and familiarity with systems, and man-management skills.

Candidates interested in this exciting and challenging position should send their cv to Helen Highet.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No.1 New Street, London EC2M 4TF  
Tel: 071-623 1266 Fax: 071-626 5258

JONATHAN WREN

## CORPORATE FINANCE EXECUTIVES

London 25+ to £35k + car

We are a leading corporate finance boutique advising acquirers, vendors and MBO teams on deals worth between £2 million and £50 million plus. To meet increasing demand for our services, we need to recruit another two executives.

- preferably one will be a chartered accountant and the other a solicitor. Both will have some deal experience in acquisitions, disposals and MBOs
- accountants should have worked for a quoted group, or a corporate finance department or a venture capital house in the City
- solicitors should be employed by a reputable commercial law firm
- keen to work in a demanding, entrepreneurial and meritocratic environment, which offers opportunities to earn promotion and high financial rewards
- a second European language would be helpful

Please send your CV, details of your present salary and a daytime telephone number to Bantie Pearson, Executive Chairman.

Livingstone Fisher Plc,  
Acre House, 11-15 William Road, London NW1 3ER  
WILLINGSTONE FISHER  
The Acquisition & Disposal Specialists  
A Member of F&MIRA

## Sr. Shipping/ Financial Analyst

New York City Based

A large, international shipping company based in New York City, seeks a detail-oriented individual with strong computer skills coupled with market research experience for its Business Development Group.  
Demonstrated experience writing Country reports, including economic, political and social assessments is required. Financial analysis of Companies involving credit and ratio analysis relevant to the shipping industry and shipping companies is necessary. Experience as a shipping banker or shipping analyst with country credit knowledge and specialized shipping industry experience is preferred. Responsibilities will include developing and managing a database on countries, companies and industries and special projects.  
A Master's degree with a concentration in Shipping Economics or related field, coupled with a minimum of 7 to 10 years experience within this specialization, with solid knowledge of bank shipping, market data sources and financing concepts are required. Superior communication skills, with an emphasis on writing is essential. Individual must demonstrate ability to work independently, and follow through on projects from inception to completion.  
Send resume and salary requirements to:  
BHA Box 125FTL  
555 Madison Avenue, NY, NY 10022  
Equal Opportunity Employer M/F

## LADY MARGARET HALL, OXFORD THE PRINCIPALSHIP

The Fellows of Lady Margaret Hall propose to elect a successor to the present Principal of the College. Mr Duncan Stewart, who intends to retire in September 1995. Any suitably qualified person who wishes to apply, or would like to suggest the name of another person who might be considered, is invited to write in confidence to the Vice-Principal, Lady Margaret Hall, Oxford OX2 6QA, from whom Further Particulars may be obtained. The closing date for applications is Friday 10 December 1993. The College's choice will not necessarily be limited to those whose names come forward at this stage.

## SFA COMPLIANCE MANAGER/ FINANCE OFFICER

Our client, a major force in leveraged fund management/arbitrage trading, is currently setting up its UK London office which will spearhead its operations in Europe. It is expected that a \$10+ billion balance sheet will be managed from London.

A key appointment has therefore arisen for an experienced Compliance Manager whose duties will also include a full office management role. Instrumental in setting up this office good technology skills are essential. Initially, assistance will be required in selecting advanced payroll and accounting systems, liaising with lawyers, accountants and surveyors. Candidates should be able to demonstrate a stable work record with relevant work experience gained in the financial field. Remuneration excellent and entirely negotiable.

Please fax your details on 071 355 1395 to reach us no later than 12th November, 1993. Tel: 071 495 1830

MAINSTREAM PERSONNEL LIMITED

## CREDIT PRESENTATION

Well Established Property Finance Brokerage due to expansion requires a computer literate, flexible, numerate Analyst with strong presentation skills. Commercial Investment property experience is preferred. Would suit a young ACA or Banker with an interest in property finance. Age 25-35. Salary circa £25,000 p.a.  
Please reply to Box B1887, Financial Times, Southwark Bridge, London SE1 9HL.

## INTERNATIONAL BONDS SALES

Salesperson required for the International Securities subsidiary of a Swiss private bank based in London.  
Candidates should be mid twenties with 3 or 4 years institutional sales experience in the multi-currency fixed interest markets and capable of original thought and ideas. European language skills would be an asset.  
This is an ideal opportunity to join a small, friendly, dedicated professional team. A competitive package will be offered to the successful candidate.

Interested applicants should write, enclosing their C.V. to:  
Miss Sue Parker, Sarasin International Securities Ltd.,  
37-39 St. Andrews Hill, London EC4V 5DD

## MERIDIAN

### NUMERATE GRADUATES

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# Marketing practice far from perfect

Kate Atchley says recent research reveals that many firms are still not meeting client needs and expectations

**T**O "understand your clients if you want to succeed," has become something of a platitude with which few practising accountants would argue. By now, they can be expected to have nurtured the necessary client-centred approach. Or can they?

Research carried out recently by Kato Communications and Gilchrist Practice Development Consultants shows accountancy practitioners to be way off the mark in meeting many client needs and attitudes.

The results deserve close attention, because the firms likely to succeed in the medium term will only be those which are effective in narrowing the gap between clients' expectations and clients' experience of the services provided.

The Kato survey polled a sample of smaller and medium-sized firms registered with the chartered accountancy institutes in England, Wales and Scotland, and excluded sole practitioners and the largest 20 firms. They were asked about their clients' views of their services. Gilchrist ran the same questions to clients themselves: typically companies with turnovers in the range £500,000-£2m.

The area generating the most striking disagreement was over fees. Accountants rate reasonableness of fees as a top priority for clients: 95 per cent said this was very important or important to their clients.

But only 47 per cent of clients agreed, arguing instead that fee levels are not fundamental to an assessment of their accountants. Even so, when clients were asked about fees, only 9 per cent rated their accountants as "good" or "very good" in setting reasonable fees.

Dissatisfaction with fees has been exacerbated by the economic downturn and growing competition from firms willing to undertake work at cut-throat prices. None the less, it presents a serious credibility threat for firms and deserves careful attention. The first step is identifying client attitudes to fees charged by the practice concerned.

Our survey\* offers some useful clues to reducing clients' dissatisfaction with fees. For instance, 43 per cent of clients said they were unsure how fees are compiled - while just 23 per cent of the accountants thought clients needed more help in this respect.

Accountancy practices often apply double standards. They look for near-certainty from their own suppliers in respect of future charges; but they construct all kinds of fanciful reasons why they should not honour their own clients' preference for the same level of certainty.

Successful firms, it seems, should put an end to unnecessary obfuscation with many clients about fee levels and the compilation of bills. They could adopt monthly billing and improve their cashflow as a consequence.

Our survey showed that 45 per cent of clients would prefer their accountant's costs to be spread more evenly throughout the year. Estimates could be provided routinely for compliance work, with a clear specification of the work expected to be undertaken for the given fee.

However, this will only solve part of the problem. While the audit continues to be perceived as a low-value service, clients will want to buy as cheaply as possible.

Why do some firms appear to experience little or no resistance to their fees? Our best guess is that these accountants are succeeding where most are failing: they are delivering a more responsive, pro-active service to their clients.

Unprompted, 31 per cent of clients said they wanted their accountant to be more pro-active, to offer new ideas and to use more imagination when analysing their business. Astonishingly, and unprompted, a mere 0.2 per cent of the practitioners said that this was what clients were looking for!

**C**losing this expectations gap is going to be tough for the average firm. But successful attempts to get "on side" is bound to improve clients' sense of receiving value from their accountant, and to ease fee dissatisfaction.

This will not be simple to achieve. Many firms have reduced the number of senior staff during the recession; and partners have client lists too long to consider personally the individual needs of each as fully as they might wish.

Again, the firms which produce creative solutions to this conundrum will be ahead in a few years' time. Delegation and inculcating a client-centred approach throughout the firm can help a great deal.

The picture is not all gloom, however: 55 per cent of clients admitted to being satisfied or very satisfied with the services they received, which closely matched the accountants' estimate of 90 per cent satisfaction.

More than three-quarters of clients rated their accountants good or very good on issues such as rapport, accessibility of staff, technical expertise and responsiveness. Good rapport came out top with a 91 per cent rating, which augurs well as a starting point for those partners bent on achieving greater client satisfaction overall.

This reinforces the maxim that "people first choose people". Clients choose accountants first and foremost, because they regard them as people they expect to feel comfortable working with. It is no surprise to find that they are happy enough with the rapport achieved.

That said, the profession does seem to be slipping up in some mainstream areas: only 61 per cent of clients were satisfied or very satisfied with tax advice received, and 62 per cent with general business advice.

These responses appear to be linked to the call for a more pro-active approach. Perhaps tax planning advice may need to be resuscitated, after declining in prominence during the recession, and since many tax options have been closed in recent years.

Everyone is looking for better value for money. Both the accountants and the clients were asked to identify

improvements which would achieve this. Aside from a more pro-active service, 38 per cent called for greater clarity of fees; and 10 per cent for more contact.

Amazingly, only 1 per cent of accountants saw improvements as a result of greater contact. But they indicated that spending less time on regulatory and compliance issues would help them concentrate more effectively on their clients.

Many complain of the pressures imposed by the regulatory authorities, growing inter-firm competition, rising had debts during the recession, and the inability or unwillingness of clients to pay for the services during periods of low profitability.

What are the lessons? No matter how the economic and professional climate changes, a firm's best course lies in finding out what the client wants, and seeking to deliver it to the best of its ability. There may be scope for altering client expectations, but good practice development (alias marketing) consists of doing the right thing.

Equally, accountants are not using their clients sufficiently to generate new work. We found that 91 per cent of clients would be happy to recommend their accountant to other businesses if asked to do so. Among the accountants, 41 per cent claimed that they had asked their clients to pass on a recommendation. But just 5 per cent of clients had got this message. It seems that the scorekeepers are being too modest for their own good.

\*The writer is managing director of Kato Communications. A summary of the research findings is available for £50 from Paul Osborne on 011-482-6242.

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Please write enclosing full curriculum vitae, quoting ref 620, to: Philip Cartwright FCMA, Riverbank House, Putney Bridge Approach, London, SW6 3JD. Tel: 071 371 9191 Fax: 071 371 9928.

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This position will appeal to a qualified accountant with relevant experience, including specific knowledge of Customs and Excise and tax matters, gained, preferably, in a UK distribution and/or sales subsidiary with an international focus and a foreign parent. A working knowledge of standard costing and stock valuation processes is desirable. You must have practised a coaching and mentoring style of management for at least two years and have a forte for building productive working relationships at all levels.

To apply, please send your cv to Julian Burnet, Ref: 6133/JB/FT, PA Consulting Group, 123 Buckingham Palace Road, London SW1W 9SR.

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## Financial Controller

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#### THE POSITION

- Improve financial controls and disciplines to maximise business performance. Control small finance team. Report to Managing Director.
- Immediate objective to implement standard cost systems, reorganise production of financial and management accounts and implement comprehensive MIS reporting systems.

- Assist in opening overseas offices. Ensure overseas operations conform to standards and set up reporting procedures to group.

#### THE CANDIDATE

- An outstanding, qualified finance professional, aged c.35. Must be highly commercial, competitive and results orientated.
- Systems implementation experience, particularly MTM software useful. Knowledge of treasury from multi-currency export environment essential, preferably within large international business.

Please send full cv, stating salary, Ref CSM88102  
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#### THE POSITION

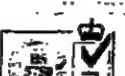
- Identify, structure and negotiate international financial and banking arrangements to support overseas projects.
- Evaluate proposals for presentation to Main Board. Report to Head of Group Finance.

- Initiate and develop senior relationships with international partners and funding institutions.

#### QUALIFICATIONS

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In addition to this, an important emphasis will be placed on the implementation and development of key financial controls and sophisticated computer systems to enable management to closely monitor operations throughout the Group.

You will be an ambitious qualified accountant, aged in your late 20s to early 30s and working at a senior level within a 'Big 6' accounting practice or within the corporate centre of a substantial group. Essential attributes will include a strong technical background and a first-class knowledge of corporate tax issues. Experience of working within a manufacturing business would be advantageous.

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If you have the requisite drive and experience, please reply in confidence by quoting Ref: 606 and sending your Resumé to Michael Fahey at Thornton Fahey, 1 Mansion Place, London SW7 5LT. Tel. 071 584 6028, Fax. 071 823 7688.

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Applicants should be graduates. Chartered Accountants with a "Big Six" background and have at least 3 years'

financial accounting experience gained with a major organisation. It is unlikely that a candidate under the age of 30 will have the relevant degree of experience. Excellent communication skills are key as is the ability to lead and motivate staff through a period of significant change. A practical orientation combined with the ability to work well in a team which includes professionals from non-financial disciplines, is equally important.

In the first instance, please write in confidence enclosing a CV to Digby Morgan Consulting, London House, 53-54 Haymarket, London SW1Y 4RP. Tel 071 925 0177. Fax 071 930 4261.

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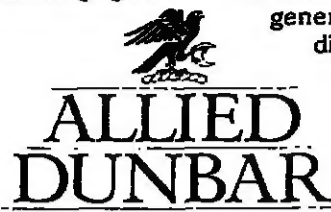
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IMG

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Please reply in writing with full C.V. to Louise Dier, IMG, Pier House, Strand on the Green, Chiswick, London W4 3NN.

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This is an excellent opportunity to join a successful group and make a real contribution at operating level. Interested candidates should send a full curriculum vitae, with a covering letter explaining their suitability for the post and details of current salary, to Jo Baker, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.



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c £30,000 + Car + Benefits

Research Machines is the UK market leader in providing information technology solutions to the education sector. In addition to their superb reputation for high performance and technical innovation, they are renowned for the quality of their service and after-sales support to customers.

An internal promotion has given rise to a challenging opportunity for an ambitious and talented accountant to manage the business critical position of Financial Planning Manager. The key to success will depend on the commercial interpretation of divisional plans, together with the ability to present the findings at Main Board level.

This is a dynamic role that will appeal to a graduate calibre qualified accountant, excited by the prospect of a senior and influential position which is certain to

grow with the right person. The successful candidate will be highly PC literate, able to demonstrate excellent communication skills, have proven analysis experience and the drive to do an outstanding job.

Research Machines offers an attractive remuneration package including BUPA, staff share scheme and relocation where appropriate.

Interested applicants should write, quoting reference number BOW/167565 and enclosing a full CV, salary details and day time telephone number, to Anne Wilkie ACA, Michael Page Finance, Windsor Bridge House, 1 Broom Street, Eton, Berkshire SL4 6BW.



Michael Page Finance

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## CHIEF FINANCIAL OFFICER

SPECIALIST INSURANCE/REINSURANCE RUN-OFF COMPANY

c. £60,000 + CAR + Benefits

South West England

A very challenging management role for a qualified accountant with an in depth understanding of the Lloyd's and London market.

### RESPONSIBILITIES

- Key member of the executive team. Report to the Chief Executive Officer and the Board on all financial and operational matters.
- Work closely with the CEO formulating corporate strategy and instigating short and long-term planning.
- Full management responsibility for 100 staff. Implement and constantly update working practices to obtain maximum efficiency. Close liaison with the Systems Department.
- Oversee the preparation and monitoring of budgets, forecasts, annual financial statements, credit control and treasury matters.

### QUALIFICATIONS

- ACA or ACCA. Extensive knowledge of the insurance/reinsurance industry. Previous "Run-off" experience preferred.
  - Energetic and enthusiastic manager with a strong commercial aptitude. Inspiring leader, profit orientated with pronounced negotiating and interpersonal skills. Age 35+
- Please send a full CV with current salary and benefits to Nicholas Moore - Ref. 30476  
All enquiries will be treated in the strictest confidence.



**Moore Wilshaw**  
ASSOCIATES LIMITED  
Insurance Recruitment Consultants  
150 Minorities, London EC3N 1LS

Telephone: 071-702 1033  
Lloyd's Ext: 4500  
Facsimile: 071-702 1034

## Finance Director

Lancashire

c £40,000 + Car + Benefits

Our client is a highly successful manufacturing company serving several niche markets within the Home Improvements/DIY sectors. They occupy a strong market position with ambitious plans for the future and wish to strengthen the board via the appointment of a high calibre Finance Director.

Reporting to the Managing Director, you will assume full responsibility for the financial management of the group encompassing monthly and annual reporting, budgetary control and systems development. You will be a key member of a closely knit management team and will be expected to provide strong financial leadership and have a significant influence on the future of

the business.

Candidates will be qualified accountants, aged 33-45, who can demonstrate a strong track record of achievement to date, preferably within both small and medium sized company environments. A high degree of computer literacy and experience of integrated manufacturing systems will be essential along with the drive, initiative and enthusiasm to succeed in a fast moving business environment.

Interested applicants should forward a curriculum vitae to Stephen K Banks ACMA at Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. Please quote reference 168782.



Michael Page Finance

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

Price Waterhouse

EXECUTIVE SEARCH & SELECTION

## Commercial Accountants

Leading edge communications and computing services

c.£28-35,000 + benefits London/North/South West

Part of a major multinational group, this new business unit has been established to provide communications and computing services to both internal and external customers. Rapid change and leading edge technology are key features of the business.

To support the business, a number of Commercial Accountants are required to participate in the operational and strategic development of the business and its underlying systems. Major responsibilities will include:

- Contributing fully to the commercial development and effective management of the units
- Producing and developing financial management information
- Financial analysis of the business in order to monitor and improve performance and to assist the units to assume full financial accountability
- Maintaining accounting records and control systems and ensuring compliance with financial reporting requirements.

To fulfil the requirements of these roles, you will need:

- A degree and a recognised accountancy qualification

- A minimum of 5 years post-qualification experience, some of which should be in industry, preferably working within the IT services or telecommunications sectors
- Sound knowledge of computerised accounting/project costing systems and techniques
- Experience of project design and contract negotiation
- Excellent interpersonal and communication skills and the ability to manage in a fast-growing and rapidly changing environment
- A willingness to travel throughout the UK on a regular basis.

These positions offer the opportunity to make a considerable contribution to an organisation working towards success in leading edge IT services.

Please write, enclosing a full CV and salary details to Heather Thomas, quoting reference E/1409 at the address below.

Executive Search & Selection, Price Waterhouse,  
Milton Gate, 1 Moor Lane, London EC2Y 9PB.  
Tel: 071-939 6341. Fax: 071-638 1358.



Price Waterhouse

EXECUTIVE SEARCH & SELECTION

## Accountants with Computer Audit expertise

c. £34,000 + car + benefits Central London

Founded in the 19th century, Jardine Matheson is one of the most respected names in the Far East, and worldwide. The Group has trading operations in 30 territories, with over 140,000 employees and annual sales of US\$8 billion.

Initially based in the Internal Audit Department in London responsible for the Group's European operations, you will have the opportunity to become part of the international management team and take on a senior financial role within the Group.

To apply, you should be a Chartered Accountant, probably in your mid twenties to early thirties and ideally "Big Six" trained, with post-qualification experience gained either in the profession or in industry.

You will also have a detailed knowledge of current

computer audit techniques and practices, likely to have been gained in the Computer Audit department of a major firm. In addition, you will possess commercial awareness and a good understanding of current and emerging business and management practices.

A good working knowledge of either French or Spanish would be an advantage, but is not essential.

If you have the requisite qualifications for a career within the Jardine Matheson Group, please send a full CV and a covering letter demonstrating your suitability for the role, quoting reference E/1410, to Heather Thomas at: Executive Search & Selection, Price Waterhouse, Milton Gate, 1 Moor Lane, London EC2Y 9PB.



## Financial Accounting Manager

Fast moving  
consumer  
goods

to £35,000  
+ Car  
+ Bonus

West Surrey



Our client is a European subsidiary of a multi-billion dollar American consumer goods Group. An established leader in its chosen market, it has gained a reputation for producing innovative but environmentally responsible products. The Group's identity is now synonymous with quality household name brands.

Recent internal promotion has created an excellent career opportunity for a Financial Accounting Manager to be based at the UK Headquarters. Reporting to the Finance Director and supported by a staff of six, responsibilities will include:

- ▲ managing all key financial accounting functions of the Company
- ▲ leading the implementation of mainframe accounting systems
- ▲ co-ordinating the budgeting/planning process
- ▲ analytical review of European Company results
- ▲ group reporting
- ▲ liaison with external advisors and government agencies
- ▲ company secretarial duties.

Applicants, aged 28-35, must be qualified accountants who can offer strong financial accounting experience and well developed PC skills. Personal qualities must include excellent communication and organisational skills together with a proven track record of managing and motivating people. Previous experience of implementing mainframe accounting systems would be highly desirable.

Interested candidates should write, enclosing a Curriculum Vitae and details of current salary, to: Tony Martin, Martin Ward Anderson, Goswell House, 134 Peasod Street, Windsor, Berkshire SL4 1DS. Alternatively, telephone him on 0753 830881. Please quote reference 0411.

## FINANCE DIRECTOR

A UK market leader in the manufacture of high quality garments, this autonomous subsidiary of a private group has grown both organically and by acquisition. The company's overseas business continues to expand and the current board is committed to the design and launch of new fashion ranges to penetrate a number of exciting market sectors. The increasing complexity of the business warrants the appointment of a new Finance Director.

Reporting to the Managing Director, the key thrust of this role is the development of systems to underpin current and planned changes aimed at introducing modern manufacturing techniques and the provision of first class management information to enhance decision making

KENT  
To £40,000 + CAR  
+ PROFIT SHARE



CORPORATE • EXECUTIVE  
DEVELOPMENT • AND • RESOURCING • PLC

throughout the company. Responsiveness to customers and the rate of change within the industry are driving these requirements. In addition there will be responsibility for statutory accounts, treasury and cash management, the secretarial function and the day-to-day management of the finance team.

Ideally, candidates will be qualified accountants with a background in manufacturing who can demonstrate the ability to contribute to the overall management of the business. A challenging style, coupled with considerable energy, is essential for success in this demanding role. Please apply in writing, enclosing a full career history, to David Kennedy, CEDAR International, 15 Bloomsbury Square, London WC1A 2LJ. Tel: 071-831 8383

## Opportunities for Commercially-Minded Accountants

London base £25,000 to £50,000 + car + benefits

Our client is one of the largest and best known international management consultancy practices in the financial services industry. To you, this means greater variety and more challenging assignments, the opportunity to work with major blue chip financial services organisations and the prestige that comes from being part of a consultancy practice renowned for the excellence of its advice and services. Career prospects are excellent; you will receive individually tailored training and you will be able to develop your financial and performance management skills in a demanding environment.

You will be joining a high quality team committed to the achievement of leadership in its marketplace. You will use your personal experience and skills in a variety of projects to assist their clients to identify and implement improvements in the management and measurement of their profitability, performance and costs. This will include such areas as management information, the linkage of performance measurement to business strategy, product and customer profitability and activity based costing. You will work at all levels up to and including the Board both in the UK and internationally.

You are a qualified accountant, with an excellent academic track record and relevant experience of profitability, performance measurement and costing issues. You will have at least two years' experience in the banking, building society or securities sectors either from a line role or from consulting to leading companies in these sectors. You must be commercial, creative, analytical and innovative with first class interpersonal skills. Age: mid 20's to early 30's.

Applicants should send a detailed c.v. quoting ref. FT1193/1 to:

Ian Tomlinson,  
Management Consultancy Recruitment Division,  
Douglas Lambie Associates,  
410 Strand,  
London WC2R 0NS.



RECRUITMENT CONSULTANTS

## National Federation of Housing Associations

### DIRECTOR OF FINANCE & CORPORATE SERVICES

£40k plus benefits Central London

The NFHA exists to promote and serve over 2,000 organisations striving to provide affordable social housing throughout England. The NFHA employs 100 staff committed to delivering quality services in the fields of representation to government, research, training, publicity and co-ordination. Your challenge is to support these services with high calibre financial management and corporate services.

The right candidate will be experienced in managing accounting and administrative staff, knowledgeable on IT applications, a financial manager, aware of current personnel issues and a good communicator. Typically your recent experience will be in a similar position with a substantial and complex organisation. If you want an informal discussion on the position, telephone Jim Coulter, the NFHA Chief Executive, on 071-278 8571 or Derek Joseph, the NFHA's Consultant, on 071-609 9491.

For further details contact HACAS  
Limited, United House,  
North Road, London N7 8DP.  
Tel: 071-609 9491,  
Fax: 071-700 7586.  
Closing date for receipt of  
completed application forms:  
Monday 22nd November 1993.

The NFHA is working to implement  
an equal opportunities policy.



Commitment to the social housing,  
health and care sectors

## EUROPEAN FINANCIAL CONTROLLER

The European subsidiary of a U.S.-based company in the Computing Services industry wishes to appoint a FINANCIAL CONTROLLER for European Operations, based in the Home Counties.

Reporting to the Vice-President, Europe, the successful candidate will be required to consolidate the accounting processes and financial reporting and control for the UK and Germany, and will assume responsibility for all aspects of the finance and accounting function.

Essential requirements are an acknowledged Accounting Qualification, several years experience in a multi-national environment, with ideally some knowledge of German.

A strong team player is needed, to join the management of this small but profitable and growing business.

A competitive remuneration package is on offer, including a Company profit-sharing scheme.

Suitably qualified applicants should send their C.V. with a covering letter to:-

The Personnel Manager,  
C.C.S. Ltd., Charles House, 5 Regent St.,  
London SW1Y 4LR

## UNIVERSAL FLAVORS

A UNIVERSAL FOODS COMPANY

### FINANCIAL CONTROLLER

MILTON KEYNES to £40,000  
Universal Flavors, a division of Universal Foods Corporation based in Milwaukee, U.S.A., seeks a highly skilled Financial Controller for its U.K. operations which supplies mainly U.K. markets with a variety of high quality flavours and food ingredients.

Universal Flavors U.K., located in Milton Keynes is a multi million pound business, derived from four product groups: Flavours, dairy, caramel, and essential oils. The successful candidate will manage and supervise the Accounting, Treasury and Tax functions for the U.K. operation as well as providing financial support for the European Managing Director. Proven abilities are necessary in the development and monitoring of Accounting controls and procedures.

Main duties will include managing the report of all financial matters to the company's Management Team and Division staff, identifying critical issues affecting the Company's current and Long Range Plan growth and development of action plans, preparing Capital and Operating budgets and participating in the formulation of the Long Range Plan and related strategies, performing financial analysis and special projects as required. Other responsibilities include managing banking and debt arrangements and monitoring foreign exchange exposure.

The successful candidate will be a graduate who is an ACA, or equivalent. The candidate's experience will include 7-10 years as a financial professional in commercial and/or public accounting with a minimum of four years at managerial level.

To apply, please forward a current CV with salary history to Marjorie Hancock, Universal Flavors Limited, Billon Road, Blechley, Milton Keynes, MK1 1HR, UK

## DIRECTOR OF FINANCE & OPERATIONS

Buckinghamshire

Salary c. £50,000 + car allowance

Our client is a subsidiary of an entrepreneurial direct marketing company, with offices at locations throughout the world. A branch of this subsidiary currently directs sales to customers in the UK and to distributors throughout Europe and the Middle East, but it is seeking to expand its existing operations within the UK.

Since its inception in 1987, it has proved to be highly successful and it is now ready to recruit an experienced and ambitious Director of Finance and Operations who can help it to achieve its full potential.

Reporting directly to the Managing Director (Europe), the Director will also report regularly to the group's Head Office in North America. Responsible for developing financial, administrative, MIS and inventory control and for ensuring that operational resources respond rapidly to customers' needs, the incumbent will also have direct responsibility for finance and operations for a start-up operation in Germany. The individual must be dynamic, with proven leadership and management skills.

Candidates will be graduate qualified accountants, with at least three years' experience in a senior management and operational role in a fast-moving marketing and/or distribution environment. Mail order experience would be beneficial. Energy, enthusiasm and stamina will be required for this challenging but rewarding role.

Ideally aged between 32 and 45, good presentation and a professional manner are essential.

Interested candidates should send a full curriculum vitae, including details of current salary, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference number WS/108/1.



WHITNEY  
SELECTION

## FINANCE MANAGER

attractive salary  
plus benefits

Newcastle upon Tyne

### CHANGE: CAN YOU HANDLE IT?

If so, you'll be interested in a career with Newcastle Building Society.

In today's intensely competitive marketplace, only those willing to adapt and change will survive. The Newcastle has been operating for over a century, and we intend to thrive well into the next.

Join us, and you'll come to one of the country's strongest building societies. We have a network of over 50 U.K. branches, as well as two offices in the Crown Colony of Gibraltar. Our subsidiary interests include an estate agency, an independent financial services company, and a building operation.

As Finance Manager, you will take up a new position to enhance our financial management team. Reporting direct to a member of the Society's Executive, you will assume overall responsibility for the accounting function.

You will have extensive experience of statutory accounts, budgets and their control, computerised management accounting systems, and PC spreadsheets.

With a strong track record of achievement, you will have the maturity, energy and interpersonal skills necessary to manage and effect change in a dynamic industry.

You must be a Chartered Accountant (ACA) with at least five years post qualifying experience, some of which should preferably be gained outside the profession.

You will be based in the centre of Newcastle upon Tyne, an energetic, attractive city with numerous leisure facilities and easy access to some of the U.K.'s finest countryside. Relocation assistance will be given where necessary.

For the right person, this is an excellent opportunity with real potential for career advancement. As well as an attractive salary, the rewards of working with the Newcastle include performance related pay, free life insurance, PFI and BUPA benefits, profit share and company car. A discretionary mortgage and contributory pension scheme are also available.

To apply, please send full c.v. including details of current salary/benefits to: Mr. C. W. Jopling, Personnel Manager, Newcastle Building Society, Principal Office, Hood Street, Newcastle upon Tyne, NE1 6JP.



## Controller - Financial & Tax Reporting

c.£35,000 plus benefits

Financial Insurance Group is the UK's leading underwriter of Creditor Insurance. We are wholly owned by GE Capital, the diversified financial services arm of GE Company USA.

This new opportunity has been created in our Finance Department and provides an excellent opportunity for personal growth within a fast developing and ever more sophisticated area of the Company.

Main duties will include US and UK GAAP financial and taxation reporting, analysis of developments in these areas and their implications for the group and consequently experience in these areas is essential. Responsible for the Financial Controller this position will cover a wide range of both UK and overseas financial accounting and will require a broad experience base probably from within the insurance industry. European accounting experience would be an advantage and ACA/ACCA or equivalent qualification will be essential.

This is an excellent opportunity to demonstrate the ability to work independently whilst supported by a professional and experienced team.

Only candidates who closely match the experience criteria should apply. Applications should reach Chris Sutton, Personnel Manager, by 17th November 1993. Financial Insurance Group Limited, Financial House, Euron Road, Enfield, Middlesex EN1 1YR.



## European Financial Controller

Computer Software & Peripherals

Home Counties - Excellent Package Negotiable

The company is a leading direct marketer of microcomputer hardware, software and peripherals, with worldwide sales of more than \$400 million this year.

The European operations have recently doubled in size to six countries and the Company is poised for further growth in the short-term. Consequently, as a result of internal promotion, an accomplished finance professional is required.

Reporting to the European General Manager the EFC will be responsible for control of all aspects of European finance including:

- Financial Control and Reporting
- Asset Management
- Business Planning and Forecasting

Please send a full CV and remuneration details to Stephen Neal, HR Selection, Brunel House, 28 Savile Row, London W1X 1AG. Telephone: 071-287 9565

A Division of Alexander Hughes Ltd, Executive Search Consultants

## FT/LES ECHOS

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Clare Peasnell  
on 071 873 4027



**FMS**  
FINANCIAL MANAGEMENT & SUPPORT SERVICES

## BUSINESS UNIT FINANCE MANAGER

### High Profile Involvement in Management of Change

Our client, a multi-billion turnover UK group which operates internationally, is currently undertaking significant development of its financial controls and management reporting systems within a key business unit. As part of this major project, it seeks an individual who can:

- Play a key role in the project management of a major change programme for this business unit.
- Produce the systems development plan, change programme and deliverables, including the required business controls.
- Assume ongoing responsibility for the business unit's forecasting, budgeting and planning activities.
- Provide both a financial and management accounting service to the business unit.
- Provide inclusive analysis of the business performance, influencing senior management to ensure requisite actions are taken.

This is a demanding, yet rewarding, career opportunity for which the successful candidate will be a Qualified Accountant with previous experience of a large blue-chip organisation. The role involves working closely with the client but are not directly responsible for the client's business. The successful candidate will have a sound knowledge of experience including financial management accounting, but most importantly, strong financial planning and systems development experience. The successful candidate will have a proven presence, well-developed communication skills and a flexible, confident approach to business and a real commercial awareness. The successful candidate will be responsible for project managing a major change programme. The successful candidate will have a proven presence, well-developed communication skills and a flexible, confident approach to business and a real commercial awareness. The successful candidate will be responsible for project managing a major change programme.

If you wish to discuss this exciting opportunity further you should write to Karen Wilson BA, ACMA, at FMS, 5 Bream's Buildings, Chancery Lane, London EC4A 3DF enclosing a recent CV and a note of current salary.

**A MEMBER OF THE PSD GROUP**

**NORTHERN HOME COUNTIES**

**£30-£40,000 PA PLUS BONUS AND CAR**

**FMS**  
FINANCIAL MANAGEMENT & SUPPORT SERVICES

## FINANCIAL CONTROLLER

### Dynamic Organisation With An Outstanding Growth Record

Our client, operates within the fast-moving, dynamic telecommunications and media sectors. In keeping with its well focused strategy, it is growing through a combination of significant capital investment and acquisitions. Currently poised at the forefront of its development, it is seeking an individual to strengthen its financial controls and reporting to the Board. The successful candidate will be responsible for the financial operations of the business and will have a proven presence, well-developed communication skills and a flexible, confident approach to business and a real commercial awareness. The successful candidate will be responsible for project managing a major change programme.

regular reporting to major shareholders  
development of financial policies and processes  
candidates will be graduate, with a strong credible record of achievement to date.  
The successful candidate will have a proven presence, well-developed communication skills and a flexible, confident approach to business and a real commercial awareness. The successful candidate will be responsible for project managing a major change programme.

If you wish to discuss this exciting opportunity further you should write to Karen Wilson BA, ACMA, at FMS, 5 Bream's Buildings, Chancery Lane, London EC4A 3DF enclosing a recent CV and a note of current salary.

**A MEMBER OF THE PSD GROUP**

**LONDON**

**PACKAGE: £40-£45,000**

## Exceptional career opportunities for Financial Professionals

Our client is a significant well financed plc with a turnover in excess of £350m. Their multi-site organisation based in the UK, also has operating units in the USA and Europe, involved in manufacture, distribution and processing. As a result of a major restructuring, they now wish to recruit the following highly motivated individuals to work in their Group Head Office in the West of England.

### Group Accountant £45 - 50k

Reporting to the Financial Director and deputising for him in his absence, the post holder will head up a small dedicated Head Office team. This broad based strategic role encompasses formulating and managing all statutory reporting, taxation and treasury compliance and planning and overseeing the preparation of consolidated financial statements. The post holder will provide high level technical expertise in all Group financial matters and ensure accounting policies, procedures and systems are maintained to the highest standards.

Ideally aged 35-38, the successful candidate will be a chartered accountant qualified with a large firm, with a successful track record in the profession or an industrial environment. Current knowledge of plc reporting is essential. Outstanding communication and team management skills should be coupled with the experience to influence at all levels. This high profile role demands a person who is both detail conscious and able to take a strategic financial overview of this fast moving business.

### Group Management Accountant £32 - 38k

Reporting to the Financial Director and working as a member of the Head Office finance team, the post holder will liaise closely with the Group Accountant and the Financial Director of each autonomously run operating unit, in order to produce an accurate analysis of the performance of the Group. This proactive role requires a person with well proven technical and interpretive skills who is able to take a strategic overview of each business in order to influence the budgetary and planning procedures. Other responsibilities will be to maintain an awareness of the developments in management accounting and ensure best practice throughout the Group.

This is an excellent career move for an ambitious qualified accountant aged between 28 and 35 whose experience will have been gained in a multi-site manufacturing plc. First class communication and interpersonal skills should be combined with an analytical and results driven personality. The role necessitates considerable travel to the operating companies.

Salaries for both posts are complemented by excellent benefits and career potential.

If you have the skills, experience and ambition to succeed in this fast moving company, please write with full CV to Mavis Woud, KPMG Selection and Search, Richmond Park House, 15 Pembroke Road, Clifton, Bristol BS8 3BG. Telephone: (0272) 464000.

**KPMG Selection & Search**

## Financial Controller

### New challenging appointment for qualified professional with commercial outlook

Our Client is a highly profitable and competitive national high street retailer committed to rapid expansion over the next two years. Current growth has created this appointment which will be to manage and develop a strong professional finance team in addition to ensuring full compliance for the Company's financial procedures. Fully qualified with at least 5 years' post qualification experience within blue chip retailing, you will need to demonstrate strong analytical and financial management skills in this marketing and systems led business. Exceptional communication and team leadership skills are essential. To apply, please send a full CV and salary details, to Sue Kendall at Macmillan Davies, Salisbury House, Bluecoats, Hertford, Herts SG14 1PU. Fax: 0992 505301. Please list any companies to whom you do not wish your CV to be forwarded.

**Multi Site Retail**

**c £50,000+ Benefits**

**West London**

**Macmillan Davies**

**SEARCH & SELECTION**

## FINANCIAL DIRECTOR DESIGNATE

Our Client is the £50m turnover retailing subsidiary of a dynamic and progressive international Group. Recent operational reorganisations have resulted in a re-focusing of strategy for the 1990s and will enable the Group to stay firmly ahead of its competitors. The role of Financial Director Designate represents a key appointment to a small senior management team. Reporting to the UK Managing Director and supervising a staff of 29, the emphasis of the role is upon strategic planning and the provision of clear financial advice. A charismatic finance manager with strong, hands-on skills is required to drive the improvement of information technology and financial reporting. Aged 30-45, you will be a qualified Accountant preferably with a retail background. More importantly though, you will be ambitious and enthusiastic with a proven track record of achievement, especially in improving the profile of your finance function, and a common sense, commercial approach. Directorship prospects and future career opportunities, both within the UK and internationally, are outstanding. Please apply directly to Richard Carter at Robert Half, 6 The Carronades, New Road, Southampton SO2 0AA. Telephone: 0703 239381 or alternatively fax your details on 0703 239380.

**c£60,000 + Benefits**  
(inc share options and relocation)

**South Coast**

**ROBERT HALF**  
THE HUMAN FACTOR

## SENIOR FINANCIAL ANALYST

Owners Abroad is one of the UK's leading tour operators with a turnover in excess of £650m and a portfolio of well known brands that include Enterprise, Sovereign and Sunmed. It now seeks to recruit a young qualified Accountant to join their team of Financial Analysts. Operating in a highly competitive market, the continued success of the Group depends on the financial support and appraisal of its marketing function. Key responsibilities will include pricing, margin appraisal, strategy evaluation and sensitivity analysis. To be considered for this challenging position you will be a young qualified Accountant with at least 18 months post qualification experience ideally gained within a fast moving commercial environment. If you feel that you have the business flair and believe you can make an impact on the business please contact Viv Blake on 071-387 5400 or write to him at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN. Alternatively fax your CV on 071-388 0857 (Quoting Ref: 24).

**To £28,000 + Car + Benefits**

**Crawley W. Sussex**

**Owners Abroad TOUR OPERATIONS LIMITED**

**FINANZ DIREKTOR**

Multinational Firma in England sucht einen qualifizierten britischen Finanz-Direktor für den südwestlichen Raum. Alter 30-40, mit Universitätsgrad und möglichem Diplom Betriebswirt. Gute Vernetzungsmöglichkeiten.

Phone +44 (0) 492 546 635.

## HOTEL ACCOUNTANT

We require an experienced hotel accountant to implement and control all areas of the fully computerised financial systems at the soon-to-be opened 90 bedroom 4 star Radisson Hotel and Country Club. The facilities include a swimming pool and leisure club, an 18 hole golf course and conference facilities for up to 350. Applicants must have experience of preparation of accounts and management information, food and beverage controls, and be used to supervising staff. If you are ready for a positive career move phone Brian Stowell on 0624 661111, or write with full CV to: **Brian Stowell Mount Murray Country Club Santon, Isle of Man**

## Corporate Finance Executive

Dawney, Day & Co. Limited seeks a bright and dynamic self-motivated executive with professional training (Accountancy, Law or MBA) to join its Corporate Finance department. The position would suit a candidate with up to two to six years post qualification experience, preferably with some relevant practical skills. The range of activities is wide including mergers and acquisitions, new issues and general financial advice for both private and quoted companies. Applications should be sent with a Curriculum Vitae to Miss Melanie Allard at the address below: **Dawney, Day & Co. Limited 15 Grosvenor Gardens, London SW1W 0BD** Member of the Securities & Futures Authority, Member of the British Merchant Banking & Securities Houses Association

## Senior Finance Manager

**c £35k + BENEFITS**

The Cross Channel Catering Company Limited is a newly established international company, tasked with providing a high quality hospitality service on board Eurostar, the new and vital link between London - Paris and London - Brussels, via the Channel Tunnel. Reporting to the Finance Director, your remit will be both hands-on and strategic. You will be responsible for all aspects of the finance function, including financial and management accounting and reporting, budgeting and cash control. Aged 28-35, the successful candidate will be a graduate qualified accountant, with a background in service industries. Strong commercial acumen and excellent inter-personal skills, allied to a proactive and creative approach, are pre-requisite to this role. If you are a dynamic, ambitious financial specialist with the ability to communicate effectively in French, this position represents a most exciting opportunity to be involved in a unique project. Please send your curriculum vitae and covering letter, quoting ref: GK3585, to Gary Katzler, Berkeley Scott Personnel Consultants, Berkeley House, 11-13 Oakford Road, Godalming, Surrey GU7 1QU. Tel: (0483) 414141. Fax: (0483) 414457.

**BERKELEY SCOTT**  
PERSONNEL CONSULTANTS

## DIRECTORS SEEKING A NEW ROLE?

Europe's leading outplacement and career management consultancy, InterExec, has over 15 years' experience of managing career change for senior executives and many of Britain's largest companies. By accessing over 6,000 unadvertised vacancies a year, mostly at £40-150,000 p.a. InterExec provides clients with vital market intelligence AND its subsidiary, InterMec, makes recommendations from its candidate bank without charge. For further information call Keith Mitchell on 071 930 5041.

**INTEREXEC** Landseer House, 19 Charing Cross Road, London WC2H 0BS.  
**THE UK'S LARGEST SOURCE OF UNADVERTISED VACANCIES**

## FINANCIAL CONTROLLER - UK

**LONDON**

**££40,000 + Car**

The Group:

- UK based insurance operations of an international group.
- Capital raised in 1992 enables this group to pursue expansion overseas. Accordingly, these UK operations are well placed for future growth.

The Position:

- Principal responsibilities will embrace day to day financial control, systems implementation and regulatory compliance for a new London market underwriting operation.
- Other responsibilities will include financial group liaison and reporting for other UK based operations.

The Qualifications:

- Graduate accountant, ideally aged between 28-35 years.
- Experience must include: Systems implementation, Financial control, Completion of DTI returns for general insurance companies.
- Preference will be shown to candidates who also display the following experience: Office administration, Company secretarial duties and Tax compliance.

This opportunity will suit those individuals who are self starters but can work as a member of a small team. The international aspects of the group require that your communication skills are exceptional and represent a reliable conduit for financial information to the group's overseas headquarters. The role will develop with these operations. The Financial Controller would be expected to make a contribution to the business, be attentive to detail, accurate and yet timely. Interested candidates should write enclosing full CV and details of current salary to Ref SA, RHH (UK) Limited, 8th Floor, 85 Gracechurch Street, LONDON, EC3V 0BH.

071 930 5041